PUBLISHED IN LONDON AND FRANKFURT

FINANCIAL TIMES

No. 28,831 Thursday July 22 1982 ***30p

CONTINENTAL SELLING PRICES: AUSTRIA Sch. 15; BELGIUM Fr 35; DENMARK Kr 6.50; FRANCE Fr 5.00; GERMANY DM 2.0; ITALY L 1,000; NETHERLANDS Fl 2.25; NORWAY Kr 6.00; PORTUGAL Esc 50; SPAIN Pta 85; SWEDEN Kr 6.00; SWITZERLAND Fr 2.0; EIRE 50p; MALTA 30c

NEWS SUMMARY

GENERAL

Massive Palace security shake-up

A massive shake-up in Buckingham Palace security and all aspects of royalty protection was announced in the Commons by Home Secretary William Whitelaw.

He also said that Lord Bridge, Security Commission chairman, is to inquire into the appointment and activities of Commander Michael Trestrail, the Queen's former bodyguard.

Mr Whitelaw promised a new department for all royalty protection aspects and a new group to monitor security. Details and sketch, Page 8

Car bomb clue

Police investigating the London bomb blasts in which nine men died say they have a full description of the man who parked the bomb car in Hyde Park.

U.S. defence cuts

U.S. House of Representatives voted to cut $699m from next year's proposed military budget by ordering one Trident nuclear-armed submarine instead of two. Page 4

Party defectors

Twenty-seven of Spain's ruling UCD party left to join the new conservative Popular Democratic Party, but said they would support the government until the general election. Page 2

Moscow march

More than 300 Scandinavians in an official East-West peace march arrived at Moscow railway station, which was sealed by police to keep locals away. Page 2

Cyprus coup files

Greek premier Papandreou promised to release government files on the 1974 coup in Cyprus and the subsequent Turkish invasion.

Editor sacked

George Githi, editor-in-chief of Kenya's Standard newspaper, was dismissed for writing an editorial criticising detention without trial in Kenya.

Parental ruling

A lesbian mother who went to live with a younger woman will be allowed to bring up her five-year-old daughter, the Appeal Court ruled.

Boys detained

Two Birmingham boys, who said they set fire to their school so they could skip the first lesson, were sent to a detention centre for three months by the city's juvenile panel.

Cocaine death

James Honeymann-Scott, lead guitarist of The Pretenders, died from cocaine intolerance. A misadventure verdict was recorded by the Westminster coroner.

Time out

Martin Foran, who has been on the roof of Nottingham prison for the past seven weeks protesting his innocence, came down yesterday. His case is not being reopened.

Briefly . . .

Princess Margaret is confined to bed with gastric flu.

Kinder Mountain, highest in the Peak National Park, is for sale.

Amazon Basin prospector sold a 16-lb gold nugget to Brazil for £51,000.

Shaftesbury Theatre, London, is for sale. Offers around £1m are sought. Page17

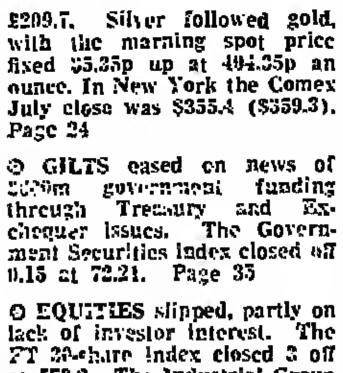
BUSINESS

Dollar falls; gilts off 0.15

- DOLLAR fell to Y252.6 (Y253.6), DM 2.4275 (DM 2.451) and SwFr 2.0575 (SwFr 2.0835). Its trade-weighted index dropped to 119.5 (120.2) Page 36

- STERLING rose 1.5 cents to $1.7555, its best closing for a month, and to FFr 11.885 (FFr 11.865), but fell to DM 4.265 (DM 4.2675) and SwFr 3.61 (SwFr 3.6275). Its trade-weighted index rose to 91.2 (91.1). Page 36

- GOLD rose in London on the fall in U.S. interest rates. The bullion price closed $16 up at $366 an ounce and the August position closed £4.35 up at



£209.7. Silver followed gold, with the morning spot price fixed 5.35p up at 404.35p an ounce. In New York the Comex July close was $355.4 ($359.3). Page 24

- GILTS eased on news of £600m government funding through Treasury and Exchequer issues. The Government Securities index closed off 0.15 at 72.21. Page 35

- EQUITIES slipped, partly on lack of investor interest. The FT 30-share index closed 3 off at 573.2. The Industrial Group index closed at a record 340.09, up 0.35. Page 35

- WALL STREET was up 1.81 at 835.24 at 2 pm. Page 23

- U.S. ECONOMY grew in the second quarter for the first time since last autumn. Gross national product rose at an annual rate of 1.7 per cent. Page 4

- CANADA said it wants to negotiate participation in the European Airbus.

- NORTHERN IRELAND industry review is expected to urge low corporation tax to attract more jobs. Page 7

- PAKISTAN is to invite for the first time international bids to explore for oil on 11 blocks onshore. Page 3

- IBM of the U.S., and Mitel, of Canada, plan to develop office systems using Mitel's digital private telephone exchange. Back Page

- CONTINENTAL ILLINOIS, U.S. bank, announced a $61m (£35m) second-quarter loss, mainly because of dealings with the collapsed Penn Square Bank. Back Page

- MERCANTILE HOUSE, broker reported pre-tax profits of £14.4m (£7.33m) for the year ended April 30. Page 20; Lex, Back Page

- GESTETNER, reprographic equipment manufacturer, lifted pre-tax profits 11 per cent to £4.65m (£4.19m) in the 26 weeks to May 1. Page 21; Lex, Back Page

- BRITISH LAND, property investor and developer, showed taxable profit of £6.33m (£4.78m) for the year to March 31. Page 20; Lex, Back Page

- PAN AM, the U.S. airline, reduced its net deficit for the second quarter from $112m to $56.2m (£32m).

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			Elandsrand	154	+ 10
Aitken Hume	177	+ 22	Emperor Mines	42	+ 7
Allied Colloids	255	+ 9	FS Geduld	£13½	+ 1¼
Brit. & C'mwealth	495	+ 6	G.M. of Kalgoorlie	215	+ 35
Brit. Land 12% Cov. 2002	£273	+ 11	Hartebeest	£22	+ 1½
Cater Allen	345	+ 15	Libanon	587	+ 67
Hillards	166	− 8	Middle Wits.	450	+ 60
Johnson Matthey	247	+ 7	Peko Wallsend	260	+ 22
Land Securities	39	+ 3	Poseidon	114	+ 15
Lonrho	89	+ 3	RTZ	412	+ 10
Macarthys Pharm.	174	+ 9	Rustenburg Plat.	165	+ 10
Sidlaw	177	+ 10	Stilfontein	615	+ 66
Travis & Arnold	192	+ 12	**FALLS**		
Unilever	627	+ 23	Birmid Qualcast	23½	− 3½
Union Discount	450	+ 25	Cape Inds.	80	− 12
Anglo Amer. Corp.	560	+ 45	Glaxo	731	− 24
Anglo Amer. Gold	£23¾	+ 2¾	Hogg Robinson	97	− 4
Central Norseman	255	+ 48	Midland Bank	330	− 22
Cons. Gold Fields	407	+ 14	Mixconcrete	174	− 8
Doornfontein	830	+ 95	Rothmans Intl.	94	− 4
			Turner & Newall	56	− 5
			Vinten	262	− 14

Poland relaxes martial law but postpones Pope's visit

GENERAL Wojciech Jaruzelski, Poland's military leader, announced the easing of a number of martial law restrictions, including the release of most internees, in a major speech to parliament yesterday, writes Christopher Bobinski in Warsaw.

His announcement covered:

- The release of 1,227 internees, including all the women, which leaves 637 still interned.
- The easing of domestic and foreign postal restrictions and restrictions on travel abroad.
- The reactivation of a number of societies suspended when martial law was imposed.

It was also announced yesterday that the Pope's visit to Poland, originally expected next month but subject to a lot of uncertainty in recent weeks, was now definitely off, though a visit was possible next year, probably in May.

Gen Jaruzelski's speech brought a guarded reaction from the West. In Washington, Mr Larry Speakes, the presidential deputy press secretary, said: "We will wait and see what happens, and then judge their actions." The Administration would make a fuller response after consulting its allies in the EEC and Nato, he said.

West Germany saw the move as "a step in the right direction," said Herr Lothar Ruehl, the government's spokesman. But he added that Bonn would make no official response until it had also consulted its allies.

Gen Jaruzelski's speech also brought assurances of support in a telegram from Mr Leonid Brezhnev, the Soviet president.

The Polish leader said martial law would be suspended before the end of this year "if there is no return in tensions and if the changes in the country indisputably show that the situation is normalising and calming down."

The authorities would have eased restrictions earlier, said Gen Jaruzelski, if it had not been for the "activities of enemies at home and abroad, especially the actions of the Washington administration."

He added, however, that martial law would be replaced by "special powers" for the government, probably including a continued ban on the right to strike and the militarisation of some sectors of the economy.

Gen Jaruzelski said that the authorities would be willing to see the Pope here next year. While the Polish people will be unhappy about this, the Polish church now recognised that more religious and political benefits can be gained from a visit next year than from one next month.

The general restated his commitment to good relations with the church and invited it to work for national agreement.

Gen Jaruzelski said future trade unions must be independent and self-governing. But he left it to Mr Mieczyslaw Rakowski, his deputy, to make a vague offer of talks with the moderate wing of Solidarity.

Solidarity to take stock, Page 2
Editorial Comment, Page 18

Private capital plan for British airports

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A PLAN to inject between £50m and £100m of private capital into the British Airports Authority, which operates seven of Britain's major airports including Heathrow and Gatwick, is expected to be announced by the Government next week. The injection would probably be through a bond issue. There will be no flotation of shares.

The aim is not the partial privatisation of the authority but to help it to raise part of the £850m it plans to spend up to 1986-87 on developing its seven airports.

This includes the cost of completing Terminal Four at Heathrow (now under way and costing £174m), that of Terminal Two at Gatwick (yet to be sanctioned by the Government but estimated at £151.5m) and the possible development of Stansted (£200m and still the subject of a government public planning inquiry).

The rest of the cash needed is likely to be generated from the authority's internal resources.

Details of the private capital injection were worked out over recent weeks in discussions between the Government and the authority, under the aegis of Mr Iain Sproat, Parliamentary Under-Secretary for Trade.

The authority has been consistently profitable in its 16-year life. Its record operating profit for the year to March 31, announced yesterday by Mr Norman Payne, the chairman, was £38.9m, £2.8m up from the previous year's £36.3m.

For this year to March 31 1983, the authority is forecasting a lower profit of about £28.6m, largely because it was decided to freeze landing fees until then.

The authority's annual report for 1981-82 shows that last year's profit rise was due largely to internal cost-cutting and to commercial revenue (from concessions and sales of duty-free goods) outpacing inflation for the first time in several years.

Total income of £277.5m was derived from income of £160.4m from landing-fees, aircraft-parking and other fees, and from income from commercial activities such as concessions, rents and duty-free sales, which amounted to about £117m.

With expenditure running at about £237.8m it is clear the authority depends heavily on its duty-free sales

Mr Payne said yesterday that in the year air-traffic handled at the authority's seven airports (Heathrow, Gatwick, Stansted, Glasgow, Prestwick, Aberdeen and Edinburgh) rose by 1 per cent to 43.7m passengers, demonstrating the underlying strength of the air transport industry in a time of recession.

This, he suggested, emphasised the long-term need of the south-east region for additional

Continued on Back Page
Airlines seek to stem losses Page 4

IBH to purchase Babcock subsidiaries

BY KEVIN DONE IN FRANKFURT AND IAN RODGER IN LONDON

BABCOCK INTERNATIONAL, the engineering group, is selling its construction equipment businesses to a 44 per cent-owned associate of IBH Holding, the fast-growing West German construction machinery group, for a price expected to be about £10m.

In a parallel deal Babcock has invested DM 52m (£12.2m) in a 10.05 per cent equity stake in IBH, a company formed seven years ago and now claimed to be the world's third largest construction machinery group, after Caterpillar of the U.S. and Komatsu of Japan.

Mr Paul Knightley, finance director of Babcock, said the sale of its construction interests was dictated by the severity of competition in the recession, and a tendency of customers to want to buy a complete range of equipment from a single supplier.

The subsidiaries being sold suffered trading losses of £100,000 last year and interest charges of £2.6m. Losses are increasing this year because of a major rationalisation programme.

Mr Knightley said the group felt it had a better chance of realising its investment in this sector through an equity stake in IBH rather than remaining independent.

"They intend to seek a market quotation for their shares in a couple of years' time, so we could begin to realise them if we wished."

IBH announced yesterday that two of its existing shareholders, General Motors of the U.S. and Dallah Establishment, of Saudi Arabia, are each investing a further DM 46.5m in the company, raising their stakes to 19.64 per cent each.

The other major shareholders are Powell Duffryn, with 10.2 per cent and Herr Horst Dieter Esch, the founder and chief executive, with 5.9 per cent.

Dallah, an industrial group with interests in building contracting, airport servicing, entertainment and manufacturing, made its initial equity investment of DM 50m in IBH only two months ago. It was the first public move by a Saudi investor to acquire equity in West German industry.

At the same time DM 60m more was raised from GM, Powell Duffryn and Schroeder Muenchmeyer Hengst, the private West German bank.

The takeover of the Babcock subsidiaries fits into a pattern of acquisitions by IBH of financially ailing construction equipment companies, including Terex from General Motors with plants in the UK and U.S., Hanomag in West Germany, from Massey Ferguson, Hymac of the UK, from Powell Duffryn, and three French companies, Moco-Meudon, Pinguely and Derruppé.

Babcock's main construction products are asphalt pavers, dumpers, concrete-mixers and small road-graders.

The construction subsidiaries' sales in 1981 fell by 11.6 per cent to £51.8m. Babcock expects to cut the workforce of these by 600 to about 1,600 by the end of September and close one of its three UK plants.

The sale is to be completed on September 30, and will be based on the companies' net tangible assets at that time.

It is estimated that the amount will be DM 40m which would be paid in cash. Any additional amount would be paid in loan notes. The IBH associate Wibau, which is making the acquisition, will also take on the approximately £18m in borrowings of the subsidiaries

IBH results Page 26

Sir Maxwell Joseph: "I have done more than my stint."

Joseph to leave Grand Met. chair

By Charles Batchelor

SIR MAXWELL JOSEPH, 72, announced yesterday that he would step down next March as chairman of Grand Metropolitan, the hotels, brewing and leisure group, bringing to an end one of the most colourful business careers the City has seen.

"I think I have done more than my stint," Sir Maxwell said. "It is time to leave it to someone else. Now I can please myself as to when I want to take my holidays."

In the 25 years he has spent building his hotel empire, Sir Maxwell has rarely been out of the limelight.

His controversial business deals, such as his lightning decision to buy Watney Mann, the brewer, in 1971, and his private life, have kept him in the public eye.

He will be succeeded as chairman of Grand Met by Mr Stanley Grinstead, 57, at present group managing director and deputy chairman. Sir Max-

Continued on Back Page
Men and Matters Page 18

Ambrosiano creditors to meet in London

BY JAMES BUXTON IN ROME AND WILLIAM HALL IN LONDON

THE THREE Italian commissioners in charge of Banco Ambrosiano, the troubled financial group, have called a meeting with banks which loaned money to Ambrosiano's foreign subsidiaries.

The meeting, next Thursday in London, is expected to be attended by up to 250 banks which made medium- and short-term loans of about $700m (about £400m) in all to Banco Ambrosiano Holdings of Luxembourg and Banco Ambrosiano Overseas of Nassau—the Italian group's two main vehicles to raise overseas funds.

The funds were then loaned, through other foreign subsidiaries of Ambrosiano to companies registered in Panama under letters of patronage from Istituto per le Opere de Religione, the Vatican bank. The funds represent one of the most controversial issues in the affair.

Because the loans were made to foreign subsidiaries registered, the commissioners, and the Bank of Italy and the Italian Treasury, have so far accepted no obligation to assume responsibility for them. A rescue operation has been organised for the parent company, Banco Ambrosiano, which itself has loaned abroad about $1.4bn, but the operation does not extend to the holding company, registered in Luxembourg, or its affiliates.

The Italian authorities are relying on pressure on the Vatican to accept what the banking authorities see as its financial and moral obligations.

This policy is likely to be examined critically by the creditor banks, which include the Midland and National Westminster, at the meeting. The commissioners also wish to confirm details of the creditor banks' lending to Ambrosiano's overseas subsidiaries.

The commercial banks at the meeting will seek information about where their money went after it was loaned to Banco Ambrosiano Holding, and will want details of the identity of the minority shareholders in the Luxembourg operation and in Ambrosiano's other overseas affiliates.

Some bankers suggested yesterday that, by calling a creditors' meeting, the Italian banking commissioners implied tacit acceptance of their responsibilities for Ambrosiano's overseas operations. Others were less optimistic.

Failure to extend support to Ambrosiano's off-shore operations is regarded by some bank regulators as a dangerous precedent. It has been suggested that banks might switch funds out of off-shore centres because of unease about supervision and lender-of-last-resort facilities in future banking crises. Such a possibility might make international financial markets more unstable.

Under the terms of the Basle Concordat — the agreement by international banks on co-operation over supervision, established after the banking crisis of the mid-1970s — the primary responsibility for supervision of a bank's foreign subsidiaries lies with the host authority. However, parent banks are also seen to have a "moral commitment."

The Ambrosiano affair is complicated because the Luxembourg subsidiary is not a bank and is not supervised by the local banking authorities. Also, there is no lender of last resort in Luxembourg.

The concordat was never intended to be an agreement about the provision of lender-of-last-resort facilities. However, international banks argue that the Italians have a responsibility to support Ambrosiano's overseas operations having agreed to support the domestic operations.

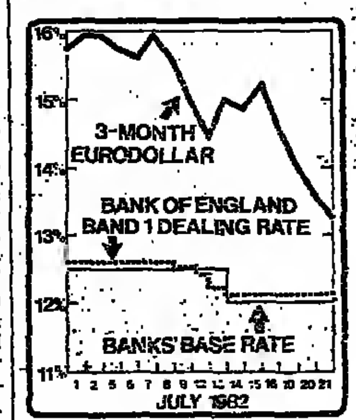
Italy strains Basle Concordat Page 26

Bank move lifts hope for base rate cuts

By Our Banking Correspondent

EURODOLLAR interest rates continued to fall sharply yesterday and the Bank of England again dropped its money market intervention rate, adding to speculation that the UK clearing banks may soon make a further cut in their base rates.

The three month Eurodollar rate fell by over a ¼ of a percentage point to 13¼ per cent yesterday, which taken together with the easier trend in U.S. interest rates led to fur-



ther weakness in the dollar on foreign exchange markets.

Meanwhile, the gold price jumped by $16 to $366 in London—its highest level since late February.

The UK money markets continued to be dominated by heavy shortages, but this did not prevent the Bank of England from cutting its intervention rates by between ⅛ and ¼ of a percentage point.

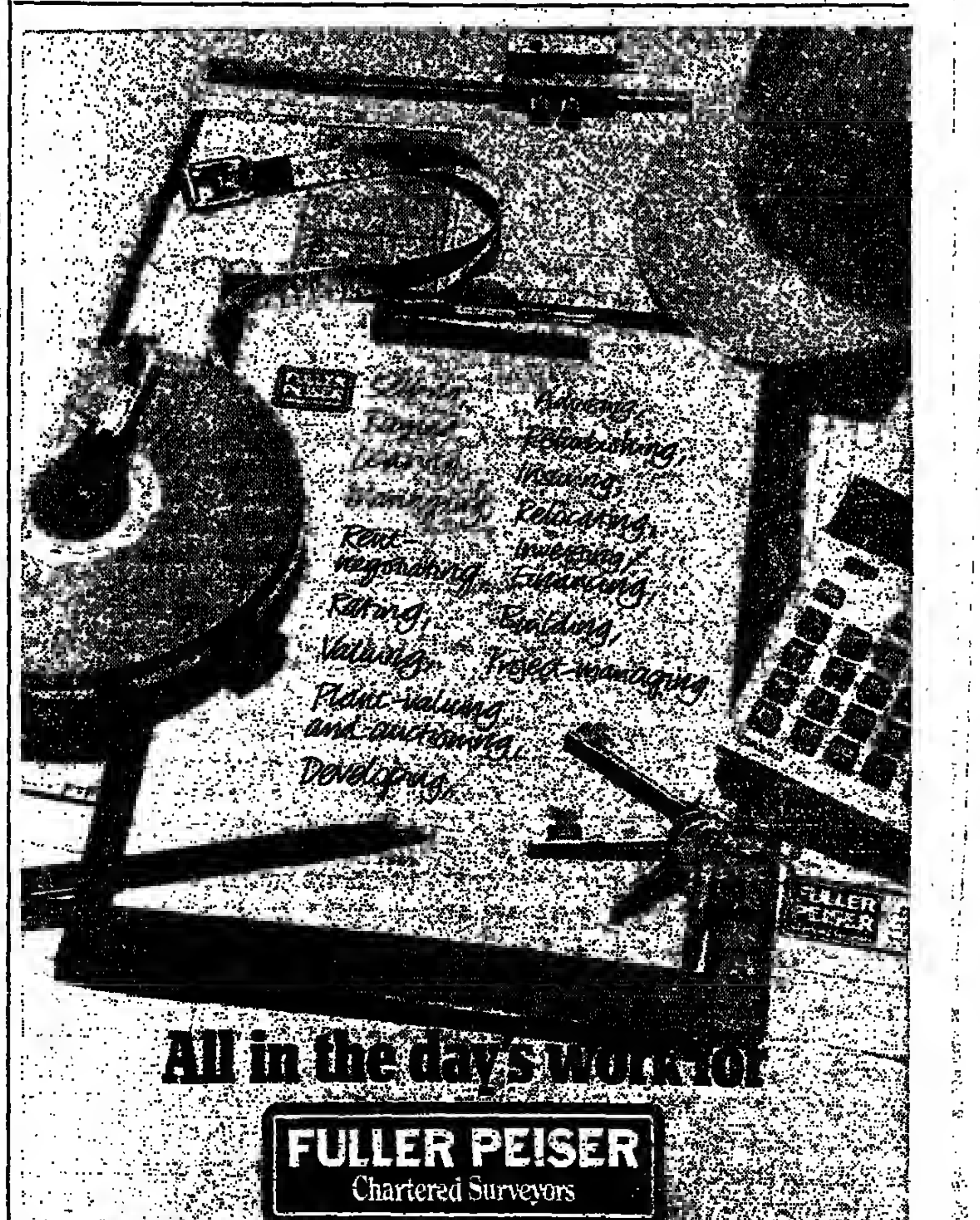
Although the Bank appeared to be following UK money market rates downwards, the fact that it was prepared to cut the rate at which it buys bills of up to 14 days from the discount houses (band one bills), which have a strong influence on short term money rates, was taken as an indication that it would not be unhappy to see a further cut in bank base rates.

While the money markets remained bullish about further cuts in UK interest rates, the

Continued on Back Page
CBI renews call for action on economy, Page 6
Economic indices fall, Page 6
Money Markets, Page 36

£ in New York

—	July 20	Previous
Spot	$1.7435-7440	$1.7360-7370
1 month	0.07-0.09 pm	0.16-0.20 pm
3 months	0.73-0.77 pm	0.77-0.82 pm
12 months	3.15-3.50 pm	3.35-3.50 pm



CONTENTS

The IRA bombings: why the heat is on again	18	Technology: conundrums of renewable energy	16
Economic viewpoint: clues to world stagnation	19	Editorial comment: U.S. monetary policy; Poland	18
Business law: long-distance runners' ordeal	10	Lombard: John Plender on the removal of exchange controls	19
Management: the uncertain role of public relations	16	Jobs Column: another fall in executive unemployment	32
		Survey: Northern Italy	11-15

American News	4	FT Actuaries	35	Money Markets	36	Labour	8
Appointments	22	Foreign Exchanges	36	Overseas News	3	Unit Trusts:	
Appts. Advtg.	22-24	Gold Markets	24	Parliament	8	Authorised	36
Arts	17	Intl. Companies	25-27	Racing	10	Others	37
Base Rates	22	Jobs Column	32	Share Information	38, 39	Weather	40
Commodities	24	Leader Page	18	Stock Markets:		World Trade News	4
Companies UK	20-22	Letters	19	London	35	INTERIM STATEMENTS	
Crossword	17	Lex	40	Wall Street	28	AECI	27
Econ. Indicators	22	Lombard	19	Bourses	28	Britannic Ass.	22
Entertain. Guide	17	London Options	22	Technology	16	ANNUAL STATEMENT	
European News	2	Management	16	TV and Radio	10	Brit. Airport Auth.	20
European Options	22	Men & Matters	18	UK News:		OFFER FOR SALE	
Euromarkets	25	Mining	22	General	6, 7	Bank of England	22

For latest Share Index phone 01-246 8026

EUROPEAN NEWS

Solidarity's leaders prepare to take stock of Jaruzelski's union promises

BY CHRISTOPHER BOBINSKI IN WARSAW

THE LEADERS of Solidarity's clandestine movement and their advisers will meet soon to decide where they go next following yesterday's offers from General Wojciech Jaruzelski, the military ruler, and Mr Mieczyslaw Rakowski, the Deputy Premier, of some form of agreement on the future of trade unions.

Gen Jaruzelski said in parliament yesterday that martial law will be suspended by the end of the year—if the country remains calm.

The union's leadership, for its part, has declared a moratorium on protests and strikes until the end of this month, but has threatened a general strike if agreement with the authorities is not forthcoming.

If the leaders decide that Gen Jaruzelski's admittedly scant programme does not satisfy them and they call for action, they risk being blamed for continuing restrictions.

On the other hand, Mr Rakowski, in his speech to parliament, has extended a vague offer of talks on the future of the unions with the moderate wing of Solidarity.

He announced the setting up by the Council of State, the collective presidency, of a "social co-ordinating committee" which would prepare the ground for the "rebirth of the trade unions."

According to the Deputy Premier, this committee would decide basic issues like the structure of the unions, the rules of behaviour between them and the government, how political or apolitical they would be, and how farmers and craftsmen would be represented.

The crucial issue is who would take part—or at least be represented—on this committee. Mr Rakowski has not made this clear, nor has he set any dates for the formation of the committee. This leaves time for more of the informal talks with Solidarity advisers which have already taken place.

It is conceivable that Mr Lech Walesa, the Solidarity leader interned since December 13, might be persuaded to take part and it seems likely that the moderate wing of the establishment would be happy to see him there.

The initiative could well win the discreet backing of the Polish Church.

The question for the authorities is to what extent they will manage to engineer a split between the moderates and the radicals in the underground and coax the moderates on to the committee.

Mr Rakowski said that talks with the moderates within the framework of the committee would be on the authorities' terms.

It is clear from his speech that the authorities are sticking to their conception of a branch structure for the unions and not the regional structure that Solidarity was organised under.

The authorities would insist on inbuilt safeguards for themselves in the unions. This could make nonsense of the independent and self-governing clause for the unions that Gen Jaruzelski is committed to.

Mr Rakowski spoke of those "active members" of Solidarity who "declare their readiness to see the union in a strictly trade union role, are ready to limit their economic demands and agree to the suspension of the right to strike." This formula is wide enough to include even underground activists like Mr Zbigniew Bujak, the moderate head of the union in Warsaw.

But Mr Rakowski continued: "While welcoming their attempts to enter on the road to realism we must tell them openly their credibility is undermined by the underground activities which they are encouraging."

The authorities, Mr Rakowski said, must be certain before they begin talks "that they are dealing with a significant reorientation and not a mere change in tactics."

Pope's visit postponed 'until calm returns'

BY JAMES BUXTON IN ROME

THE POPE'S decision to postpone until next year his visit to Poland, was announced in Rome yesterday by Archbishop Josef Glemp, the Polish primate, following talks with Mr Josef Czyrek, the Polish Foreign Minister.

The Pope was due to visit Poland next month.

Mgr Glemp said that the Polish Church wanted to receive the Pope in an atmosphere of calm rather than of "irritation" and "commotion."

He was apparently reflecting the Polish Government's view that the country was still too unsettled.

The purpose of the Pope's visit, which would have been his second, was to attend the celebrations of the 600th anniversary of the Black Madonna of Czestochowa, which begins at the end of August.

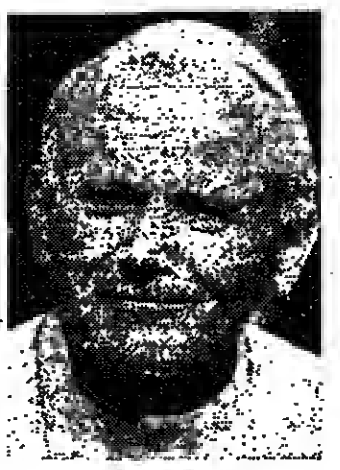
But Mgr Glemp said that the celebrations would officially last for a year, and that it was the Pope's intention to visit Poland during that time.

No date has yet been fixed for his postponed visit.

Mr Czyrek came to Rome in order to persuade the Pope to give the regime more time before making what would be a highly popular—but potentially disruptive—visit.

He is also thought to have given the Pope, whom he met at his summer residence of Castel Gandolfo on Tuesday, details of the limited liberalisation measures, General Wojciech Jaruzelski, the Polish head of state, announced yesterday.

Although the Pope's visit has long been in doubt, its formal postponement is a setback for the Pope, who has shown himself in his trips this year to Britain and Argentina willing to travel to equally contentious destinations, and who has found it difficult to influence events in Poland since the clampdown last December.



● The Pope (right)

Sacrifice of a Polish liberal

BY CHRISTOPHER BOBINSKI IN WARSAW

THE DEMOTION of Mr Andrej Werblan from the Deputy Chairmanship of the Polish Parliament, one of yesterday's changes in the Polish leadership, denotes the eclipse of one of the more interesting figures active in Polish politics over the past two years.

It also means that Gen Wojciech Jaruzelski is ready to sacrifice important members of the party's liberal wing to maintain his centrist policy.

Mr Werblan was a long-serving member of the party leadership in the 1970s responsible for academic policy, and soon after the fall of Mr Edward Gierek he resigned his party post.

In the following months, he was a consistent advocate of moderate and pragmatic policies. He played a role in maintaining the spirit of compromise in parliament itself.

He also advocated reform policies for the party and allowed himself to be associated with the rank-and-file movement for democratic change.

His views, expressed in public, won him the enmity of party conservatives and perhaps more important, the suspicion of Moscow.

It could well be that Soviet hostility to his "divisionist" view finally decided that he would have to leave public office. But another factor was the demotion last week of Mr Stefan Olszowski, a hardliner whose fall had to be balanced "with the departure of a noted revisionist."

French Cabinet cuts social security

BY DAVID HOUSEGO IN PARIS

CUTS OF FFr 10bn (£833m) in social security spending for this year were approved by the French Cabinet yesterday.

The cuts are in line with the Government's attempts to tighten its grip on expenditure and reduce budget deficits. Though many of the cuts—including postponements in increases in family allowances and pensions—were decided some time ago, the package clearly shows the hand of M Pierre Beregovoy, the new Minister for Social Security.

A friend of President Mitterrand and formerly Secretary-General of the Elysée, he came to office in last month's Cabinet reshuffle to impart greater discipline to social security financing.

The alternative to pruning expenditure would have been to increase contributions. The Government had promised employers that industry's contributions will remain stable until mid-1983.

But the problem of financing the deficit in the social security budget—an independently-managed fund separate from the state budget—will arise again next year when the deficit is expected to be FFr 25bn-30bn.

M Beregovoy made clear shortly after taking up his post that he saw one of his jobs as being to seek economies—an inevitably unpopular task after Socialist pledges to raise allowances.

Spending on social security in France—mainly health, pensions and family allowances—has exploded from FFr 780bn in 1981 to an estimated FFr 950bn this year.

This is a higher level of outlay then that of the state budget. In real terms, household income from social allowances rose by a staggering 4.5 per cent last year and was expected to rise by 6.7 per cent this year.

Among the other cuts announced by the Cabinet yesterday was a rigorous control on spending by hospitals, new rules for reimbursement of prescriptions, and a tax on publicity by the pharmaceutical industry. Details are to be given today.

Uncertainty surrounds leadership of Air France

BY DAVID MARSH IN PARIS

UNCERTAINTY last night surrounded the leadership of Air France, the French state-owned airline, following reports that M Gilbert Perol, its director-general, would tender his resignation at a special board meeting today.

M Perol, who has been second-in-command of the company since the end of 1974, is believed to have had differences with M Pierre Girandet, the chairman, over the way the airline should be run under the Socialist Government.

Air France last night would neither confirm nor deny the reports of M Perol's impending departure.

The affair once again underlines the dilemmas facing the nationalised industries under the Socialists.

Air France, which made a loss of FFr 380m (£31m) last year, has been prevented from making cost-cutting staff reductions by the Government, which is committed to using the nationalised sector to maintain employment.

M Perol, who was the head of President de Gaulle's Press department between 1963 and 1967, may have found that his political objections to the new administration have become too strong to overcome.

M Giraudet — who took the helm of the airline one year after M Perol in 1975—is, on the other hand, a "technocrat" in the traditional mode of the French civil service, with no obvious political affiliations.

Spanish UCD members form Conservative Party

MADRID — Twenty-seven prominent members of Spain's ruling Union of the Democratic Centre (UCD) party said last night they were forming a new Conservative Party.

Twelve deputies, eight senators, four former parliamentarians and three ex-ministers joined the Popular Democratic Party (PDP) formed by Sr Oscar Alzaga, a Christian Democrat, who recently abandoned the ruling party.

They said they would support the Government until the next general elections, due within eight months.

The UCD recently elected the speaker of congress, Sr Landelino Lavilla, as party president to replace Sr Leopoldo Calvo Sotelo, the Prime Minister, in an attempt to prevent the party's dissolution in the face of a mounting Socialist challenge.

Formed in 1977 to lead the country's transition to democracy after 40 years of dictatorship, the UCD is a loose coalition of Christian and Social Democrats, Liberals and Conservatives.

Reuter

Bulgaria replaces chief economic strategist

BY DAVID BUCHAN

MR STANISH BONEV, a Deputy Prime Minister, has been appointed as Bulgaria's chief central planner, in a move apparently linked to economic reforms introduced earlier this year.

The official Bulgarian news agency BTA reported that Mr Bonev had replaced as chief planner Mr Kiril Zarev, who was relieved of his post as a deputy premier and transferred to purely Communist Party duties. The agency also said Mr Georgi Karamanev, the Interior Trade Minister, had been promoted to deputy premier.

The Bulgarian reforms do not decentralise economic decision-making to the extent that has taken place in Hungary. But they confine the role of central planners to setting general economic targets, leaving companies to make their own "counterplans" of how targets are to be met.

There are believed to be some difference of opinion within the Bulgarian politburo as to how far down the road Bulgaria's reforms should go.

Women take peace 'march' to Moscow

By Anthony Robinson in Moscow

MORE THAN 300 Scandinavian women taking part in an officially-sponsored East-West peace "march" arrived in Moscow last night on the train which the Soviet authorities have laid on for them.

Hours before it arrived at Moscow's Riga station, uniformed and secret police took up positions and prepared to block the road which passes the station and surrounded the luxury Kosmos Hotel, where the marchers are staying at subsidised rates.

The Soviet media has carried reports of the "march" and its progress from Stockholm through Finland and on to wreath-laying ceremonies and visits to factories in Leningrad and other towns.

But the only hint of the women's three-day stay in Moscow was a short announcement in Moskovskaya Pravda, the local newspaper, that Prospekt Mira would be closed to traffic on Wednesday evenings as would Gorki Street and the area around Red Square on Saturday.

The newspaper gave no reason for the closure, which was carried as a formal traffic police announcement. Correspondents covering the "march" have also been given special identification, another hint that the strict security measures and tight formal schedules of official meetings which have surrounded the Soviet leg of the "march" will be even stricter in Moscow.

It is a far cry from the stated aim of the "marchers," who declared their desire to meet ordinary Soviet citizens and express their desire for peace and mutual friendship.

Instead, they have been chaperoned by the professional agitators of the 80m-strong official Soviet Peace Committee, with whom they also had agreed in advance the slogans they would carry.

Several of the women have protested to their hosts over Soviet infringement of the agreed rules.

The most cynical aspect of the Soviet authorities' attitude to the "march" appears to be their decision to step up repression of the recently formed independent Soviet Peace Movement.

Two of the leading members of the independent movement, 47-year-old scientist Yuri Chronopulo and 54-year-old geographer Yuri Medvekov, were arrested at a bust stop last Friday and sentenced to 15 days detention for "hooliganism."

Denmark blocks progress on EEC fisheries policy

BY LARRY KLINGER IN BRUSSELS

DENMARK yesterday continued to block progress towards establishing an EEC common fisheries policy, placing itself in the embarrassing and vulnerable position of being pitted against its nine European Community partners only three weeks after taking over the stewardship of the Council of Ministers.

No serious negotiations were possible yesterday because of Denmark's unbending demands for greatly increased fishing quotas.

Denmark's ability to act as an impartial President of the Council of Ministers was being openly challenged with what were regarded as delaying tactics by Mr Karl Hjortnaes, the Danish Fisheries Minister.

Mr George Younger, the UK's Minister of State for Scotland, said that Denmark had spent possibly the most uncomfortable 24 hours of any presidency.

Mr Peter Walker, the British Fisheries Minister, said that it was "very frustrating that one member-state is so totally opposed, and even more so when that country is President of the Council."

The EEC is under the greatest pressure in the six-year history of the talks to reach agreement. The temporary arrangements affording Britain a large measure of protection in its fish-rich coastal waters, agreed 10 years ago on the UK's accession to the EEC, expire at the end of this year.

Ministers are aware that the Community could face a constitutional crisis if new arrangements are not in place before the deadline, with the European Commission and some member-states already studying ways in which a partial common fisheries policy could be implemented on the basis of a consensus among the Nine.

The Fisheries Ministers will not meet again until September 21, leaving only three months before their year-end deadline. Mr Walker suggested that the issue might have to be referred to the European heads of government meeting in the first week of December.

Nevertheless, it was clear yesterday that, while Denmark's shaky minority government is itself divided on how to conduct the negotiations, it feels that it needs time if it is to reach a compromise solution acceptable to its politically powerful fishing industry and anti-EEC public opinion.

Mr Hjortnaes, while making clear that he was speaking as the Danish Fisheries Minister and not as President of the Council, said the Nine had prepared a strategy in which Denmark had been expected to put its own head on the chopping block at the beginning of the talks. "But they are not going to succeed," he said.

Yesterday's talks broke down specifically over Denmark's refusal to ratify an agreement initialled earlier this year with Norway which would suspend Danish fishing in some jointly managed waters for six weeks from the beginning of August.

European Commission counts cost of 'crisis cartels'

BY GILES MERRITT IN BRUSSELS

THE RULE BOOK is crystal clear. Section One of Chapter One of the Rome Treaty's Rules of Competition lists high among its prohibitions all agreements between undertakings that limit or control production. The only crime in the competition lawyers' book more heinous than that is the fixing of prices by any means.

Yet the European Commission is once again pondering the advisability of allowing a major European industry to seek refuge, through the loopholes of the treaty, in a "crisis cartel" that would have, as its prime objective, curbs on output and would implicitly seek to move prices upwards.

Such breaches of the spirit of the Rome Treaty have already been in use for some years to prop up the Community's ailing steelmakers and man-made fibre producers. Now there is the prospect of a similar arrangement for the petrochemical producers.

The reason that these giant industrial corporations are allowed to flout the rules and act in concert is that, far from profiting from cartels, they are simply attempting to limit their losses. In turn, that means limiting taxpayers' contributions or the loss of jobs.

The moral precepts of anti-cartel laws designed to prevent the customer from being exploited can therefore no longer be rigidly applied to these huge but battered industries. The question being pondered by the European Commission is whether or not "crisis cartels" have a practical value. In other words, can they be justified on the grounds that they help to nurse major companies in basic industries back to health?

The Commission's public stance tends to be somewhat defensive. It is, after all, the owner/operator of a synthetic fibres cartel, grouping 11 large textiles companies, that began in 1977, and of a steel regime. This began in the same year and has since been transformed into a "like it or not" cartel in which mandatory output quotas are policed by Brussels.

Privately, though, Viscount Etienne Davignon, the EEC Industry Commissioner, seems less and less convinced that such groupings offer any magic wand to sickly industries.

The track record of the steel and textiles arrangements would certainly bear that out. For the quid pro quo of a waiving of the EEC's Article 85 anti-trust rules is that the companies brought into the cartel should use the period of grace to restructure themselves. In the case of man-made fibres, moves to slim down the industry have been modest as well as patchy, while in steel the determined cuts in countries like the UK have nevertheless done little to correct worsening overcapacity in the EEC as a whole.

In 1977, when the EEC's giant fibremakers were granted what has amounted to a market-sharing pact, capacity in the industry stood at 3.2m tonnes and losses were running at a combined $600m (£349m).

Thanks in large part to the Italian industry which, despite specially favourable market share guarantees, failed to carry out promised plant closures, the industry's use of installed capacity has scarcely improved since then. About a quarter of capacity is unused, losses have remained at a comparable level and, in Britain, output that by 1983 will probably have fallen to 395,000 tonnes a year from 578,000 tonnes in 1979 is being blamed in large part on unfair subsidies elsewhere in the EEC.

The fibremakers' cartel is due to come to an end in October because market conditions are considered to have improved sufficiently, but it cannot be said to have achieved its original aims. At best, it staved-off savage competition within the industry at the height of the crisis, when the weakest would have gone to the wall.

In those terms, the EEC steel industry arrangements over the past five years have been successful. Closures have often been brutal, but there has been no uncontrollable collapse of the sector in any of the seven member states that see steel as vital to both their economies and to their security. It was the threat that intra-EEC competition in steel would force such collapses that led first to the voluntary Davignon Plan and later, in 1980 when an EEC steel prices war flared, the imposition of mandatory output quotas.

The result of the special powers awarded to the Commission under Article 58 of the European Coal and Steel Community's Paris Treaty has been that steel prices, as intended, first firmed and then rose during the 12 months from mid-1981 by some 25 per cent. That nevertheless, has been a mixed blessing.

One of the lessons to be drawn from bringing steel into a cartel is that once the free market mechanism is tinkered with, unpalatable political choices are thrown up. In the case of steel, it is that reducing the steelmakers' losses through higher prices has imposed an artificial costs burden on European steel users and manufacturing industry in general.

Yet the price stability in steel has been the cartel's failure to achieve its own longer-term aims. The steelmakers' performance in using the benign conditions created by the cartel to restructure themselves effectively has been poor. Steadily worsening market conditions have aggravated the problem, so that in its attempts to narrow the gap between capacity and output the industry has been shooting at a retreating target. The figures nevertheless tell their own story.

When steelmakers were first permitted to disregard EEC competition rules, crude steel production was running at some 75 per cent of capacity, and the Commission's aim was to raise that figure to 85 per cent. Currently, it is at best 55 per cent.

For, while older plants have been shut, integrated complexes first planned back in the heyday of the early 1970s have come on stream. Installed capacity in the EEC has remained at just over the 200m tonnes a year level, and by 1985 still looks set to top 195m tonnes, while crude steel output has fell from 155m tonnes in 1974 to 128m tonnes last year.

The safety net of public subsidies that has permitted this unsatisfactory state of affairs to continue, by making good much of the EEC steelmakers' combined annual losses of around $2bn, must, however, be dismantled in 1985. EEC governments are pledged to stop all aids to steel by then.

It could be that, as a result, the next few years will provide an example of how an EEC cartel can promote co-operative industrial streamlining. There are so far few signs of that, and as a West German steel expert in Brussels put it recently: "The trouble with safety nets is that once you have fallen into one it's virtually impossible to get back on the high wire."

The Brussels Commission is considering a "crisis cartel" for Europe's petrochemical producers, along the lines of existing arrangements for steel and man-made fibres. The aim is to streamline the industries, but the results are mixed. Stability has come to the steel sector, but the long-term goal remains elusive

Dutch set aside their reluctance and head for a general election

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH general election campaign is at last officially underway, leading to polling day on September 8.

For a while it had seemed that only one of the major existing party leaders was keen to take part—Mr Ed Nijpels of the Liberals. Now, however, all doubts have been put aside and the electoral platforms are being hammered together.

Confirmation that the party leaders' hearts were in the campaign came after a series of slightly histrionic shows of reluctance.

Last Saturday, Mr Jan Terlouw, head of Democrats '66, a centre-left grouping of uncertain fortunes, told his party congress that he would stand, cried, with one eye open. Predictably, though, he later yielded to his fate and agreed to remain at the helm.

Earlier, Mr Dries van Agt, leader of the Christian Democrats and Premier of the current interim administration, had exhibited a similar wish to withdraw—rather like the traditional show of unwillingness by a new speaker of the British House of Commons—only to be prevailed upon by his followers to stay on and inspire them to victory.

Then Mr Joop den Uyl, veteran leader of the Labour Party, indicated that he, too, had had enough of the fray, overcoming his modesty at the last moment with the arrival of some surprisingly good local election results.

"Take this cup from me," he

Why they do it remains a mystery. Each maintains he has good reason to wish to quit the party scene. Each, though, seems engaged merely in a ritual dance. At any rate, the campaign is now afoot, and its course is already plain.

The right—broadly—is selling itself as the "tough option," willing to make financial sacrifices to safeguard future prosperity.

The Left — in this case the Labour Party—is offering a softer profile: still firm, but with greater emphasis on human understanding. Democrats '66 darts in and out of the others' manifestos, not wishing to slam any doors that may lead to continuing participation in government.

The minority parties, including the Communists, are maintaining their normal factional or single-interest appeal.

The Right in the Netherlands, fringe groups aside, comprises the Christian Democrats and the Liberals. The former have, in fact, a number of centrist radicals among them dating back to the days when the party was formed out of an array of confessional bodies.

This warp in their weft brings about surprising shows of social concern from time to time but has not interefered so far with Mr van Agt's determination to discipline the economy.

The Liberals, for their part, are even firmer on the need for public spending cuts and positively hard-line on pruning back the welfare state.

Last week, the caretaker government decided on further economies totalling Fl 4.5bn (£957m) in 1983 in addition to the Fl 8bn announced in a mini-budget in June.

New cuts, said Mr van Agt, would affect spending on social security benefits, civil servants' salaries and public health. Individual ministeries were called upon to save an extra Fl 250m.

The intention is to provide Fl 200m for the creation of jobs for the young, but also to help with the construction of Amsterdam's controversial city hall and opera house.

The fact that poor families will now have their social benefits cut by as much as Fl 450 this autumn to help subsidise the building has already drawn adverse comment from the Left, which is still hoping to attain power on its promise of widespread government job-creation.

The mood of the electorate, however, appears to have moved decisively to the Right, and while the Labour Party might hold on to the bulk of its existing parliamentary seats, Democrats '66 seems destined to give way to the Christian Democrats and the Liberals.

With the summer weather hot and sunny and with the holiday season just getting underway, much of the electioneering is likely to be left until late August. Nevertheless, the tone has been firmly established, and the party leaders, newly reinforced in their resolve are digging in for a long campaign.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y. and at additional mailing centres.

'High death toll' in Iraqi bombing of Iranian cities

BY JAMES DORSEY IN KUWAIT

IRAQI fighters bombed Iran's key cities in the southern Khuzestan province yesterday while Iranian fighter-bombers blasted oil installations in Baghdad, causing heavy damage, the Iranians said yesterday.

A spokesman for the Khuzestan Governor-General's office said 120 people were killed or wounded in Ahwaz, the provincial capital, yesterday when an Iraqi aircraft bombed a shopping centre in the beart of the city.

Further north, residential areas of Dezful came under heavy Iraqi aerial bombardment which killed or wounded 50 civilians. Tehran radio, quoting a military communiqué, said Iranian fighters "bomhed large sections of Iraqi oil installations in Baghdad and caused heavy damage."

The military communiqné said fighting was continuing between Iranian and Iraqi forces in southern Iraq with Iranians holding the upper hand and inflicting heavy military equipment losses on Iraq.

The radio said two Iraqi belicopters were brought down wben they tried to bomb Iranian concentrations east of the Iraqi port of Basra. It said 850 Iraqi prisoners of war captured during be operaion which began on July 13, arrived in Tehran and were received by residents shouting "Death to America."

Iran and members of the Syrian-backed Iraqi Opposition say Iraqi military personnel captured by Iran during the 22 months of fighting in the Gulf war have established a military force. The force is said to have participated in the fighting along along the Iran-Iraqi border and will possibly be thrown into the battle now raging on Iraqi territory.

Since the beginning of the war Iran has taken an estimated 40,000 Iraqis prisoner, according to officials of the International Red Cross. One quarter of all Iraqi prisoners of war have been organised in the new "Army of Revenge" established under Iranian auspices, the Opposition members said.

Diplomats, Opposition members and Iranian officials say thousands of Iraqi troops have fled into Iranian captivity.

Many of these deserters, who are believed to be Shia Muslims, are said to have chosen to surrender to Iran after President Saddam Hussein of Iraq ordered the shooting of anyone fleeing the battle in May for the Iranian town of Shush.

The "Army of Revenge" has not yet taken part in the Iranian invasion of Iraq, according to Opposition members but has participated in the fighting near the Iranian city of Ilan and in Marivan on the Iran-Iraq border.

Egypt calls for talks with Israel on border dispute

BY CHARLES RICHARDS IN CAIRO

EGYPT has called for the resumption of talks with Israel to settle a dispute over the demarcation of their border at several points in the Sinai.

The dispute centres on a tiny coastal strip at Tabal, south of Eilat, which both sides claim. At one point the dispute threatened to delay Israel's final withdrawal from Sinai on April 25 and talks aimed at resolving it carried on even after Egyptian sovereignty was restored to the peninsula. At present a small detachment of the multinational peace-keeping force is patrolling the area.

Mr Kamal Hassan Ali . . . message to his Israeli counterparts over Taba talks.

The Egyptian Foreign Minister, Mr Kamal Hassan Ali has sent a message to his Israeli counterpart, Mr Yitzhak Shamir, calling for the talks to resume. Since direct negotiations bave apparently failed, he suggests both sides should resort to conciliation or, if needs be, arbitration as stipulated in the peace treaty. A Foreign Ministry official has suggested the talks should start in Alexandria next month.

The timing of Egypt's call is interesting. Although there is a total freeze on all other negotiations with Israel because of its invasion of Lebanon, Egypt is prepared to talk about things in which it has a direct interest. The Israelis, however, are likely to assume that Egypt just wants to extend its sovereignty over Taba before breaking off relations.

If Egypt does succeed in gaining Taba — and most observers feel they have a strong claim to it—then it may show other Arab countries that there are some benefits to direct negotiations with Israel. Egyptian officials bowever have said publicly that Israel's invasion of Lebanon indicates that Israel has no desire to settle disputes by peaceful means.

Deng Xiaoping . . . may not support agreement

U.S. 'close to agreeing' over arms for Taiwan

By Alain Cass, Asia Editor in Washington

THE UNITED STATES appears to be on the verge of a breakthrough in talks with China over arms sales to Taiwan. According to U.S. officials, the basic principles of an agreement have been settled.

China has repeatedly threatened to downgrade diplomatic relations with the U.S. if the Administration of President Ronald Reagan continues to sell arms to Taiwan which Peking claims infringes its sovereignty over the island.

The American optimism, which comes after months of intensive negotiations, is based on the latest reply to Administration proposals approved 10 days ago by President Reagan. According to U.S. officials these show a distinct softening in China's previous insistence that the U.S. set a firm date by which arms sales to Taiwan would end.

China now apparently accepts that President Reagan cannot agree to this, partly because of strong feelings in Congress that the U.S should not abandon Taiwan.

Officials also stress that the Taiwan Relations Act of 1979, passed shortly after former President Jimmy Carter normalised relations with the People's Republic, obliges the U.S. to provide Taiwan with "defence articles and defence services" to allow it to defend itself adequately.

The formula now under discussion between Mr Arthur W. Hummel, U.S. ambassador in Peking, and Chinese officials is understood to hint at the eventual ending of arms sales to Taiwan bnt seeks to link such a move to the "peaceful unification" of the island to mainland China.

The last important burdle to an agreement is China's objection to linking the end of arm sales to unification. Peking maintains this would constitute interference in its internal affairs since it considers Taiwan to be part of China.

China's hardline stand on the issue over the past few months was partly a result, officials believe, of differences within the Chinese leadership about the pace of the development of China's relations with the U.S. There is still a question over whether Deng Xiaoping, the Chinese leader, will feel able to agree to such a compromise.

Xenophobic Chinese fear West

Ideology v pragmatism —Tony Walker in Peking gives his impressions of the ideological struggle in China between maintaining traditional isolation from the West and pursuing much-needed foreign investment in its open-door policy

LIKE A man with a bad attack of indigestion, China is finding that its new "open door" policy is creating severe discomfort, and the Chinese authorities appear to be in some turmoil about how best to bandle the condition.

An intense debate has been in progress within the Chinese leadership about what degree of access foreign businessmen should be given to China, how much freedom should be allowed foreign scholars to conduct their research here and bow much contact should be permitted between foreigners and ordinary Chinese.

The Chinese have reached a critical point in their bid to attract Western capital and, more particularly, direct investment in China. They have established a policy and appear committed to it, though the signs are often contradictory. Now they must persuade foreign businessmen that the policy will remain in place and, perhaps more important, will be implemented equitably as between local enterprises and those in which foreigners are involved.

This will require a more sensitive approach on the part of the Chinese than has been evident thus far. China, in its egocentric fashion, bad assumed wrongly that all it would have to do was to invite foreign businessmen to invest in China, construct a basic legal framework in which the investor could work and, hey presto, capital would start flooding in.

This has not happened. The sluggish Chinese bureaucracy, the world recession and the abrupt cancellation in 1980 of contracts entered into with Japanese, West German and U.S. companies, are all factors that bave contriboted to the lukewarm Western business response to China's calls for direct investment. The total supplied or promised since 1979 bas reached only £1.5bn.

At the heart of China's problems in dealings with the West is a deep-rooted suspicion of foreigners and foreign influence. This xenopbobia, if unchecked, could wreck China's open-door policy. It is ironic that, at the very time China is attempting to persuade Western capitalists to invest here, it is railing against "noxious" and "corrosive" Western capitalist influences.

"At present we are faced with a fierce struggle between the corrosive influence of capitalist ideas and the resistance of socialist ideas to this influence."

In view of the overheated condemnation of Western influence by China's propaganda apparatus, it is not surprisiog that officials in central ministries and in the provinces charged with implementing the open-door policy are extremely cautious in their dealings with foreign businessmen.

The barrage of propaganda against corruption may or may not be justified by actual circumstances, but businessmen are finding that provincial level officials are being scared off by the campaign.

Corruption is not something new in China. It is as old as Chinese civilisation itself. And yet Peking these days often seems to be suggesting that it is an evil invented by the West. Red Flag commented recently: "On the economic front, phenomena such as smuggling, selling contraband, offering and accepting bribes, corruption, theft, speculation, swindling and appropriating large quantities of state property are not isolated or accidental occurrences. They are outstanding expressions or bourgeois liberalisation under new historical conditions—that is at a time when an open-door policy and a policy to enliven the domestic economy are being implemented."

Is it any wonder that lower level officials sometimes appear confused abont the degree of commitment at the centre to genuine and productive contacts with the outside world? If there is one thing that these officials have learned over the years it is to sniff carefully the political breezes coming from Peking and set their sails accordingly. They will not have overlooked recent conflicting signals.

The pragmatists in Peking appear to have won, for the time being, tbe argument that it is desirable to involve Western business to a significant degree in China's affairs, bnt there are clearly those in the leadership who disagree and wish to see less rather than more outside involvement in the drive for modernisation.

That is almost certainly why in recent months publications like People's Daily, the Party newspaper, which reflects the views of the moderates in the leadership, have been beating the foreign investment drum with such vigonr. The message from these publications about the need to involve foreign investors in Cbina's economic development is aimed as much at an internal Chinese audience as it is at sceptical investors themselves.

"Ideas of struggling in isolation and refusing to have contacts with foreign capitalists are wrong," People's Daily said in a recent froot-page commentary. "But in contacts with foreign capitalists, any neglect or abandonment of the necessary struggle against corrupt ideas also is wrong."

People's Daily said China faced a "very ardnous, complicated task" of understanding the "strategic significance" of the open door policy, while "promptly discovering and overcoming various sorts of negative phenomena tbat seriously harm our cause, first and foremost negative phenomena within the Party and especially among Party officials."

The problem for the Chinese, and one they seem far from coming to grips witb, is tbat they cannot have foreign business involvement in their developmeot plans without the presence here of foreign personnel. Many officials appear unable to accept the fact that the open-door policy will inevitably increase the range and frequency of contacts between Westerners and ordinary Chinese.

It would be a pity if sensihle policies, much-needed if China is to bridge tbe technology gap caused by its decades of isolation from the outside world, foundered because of traditional Chinese enmity towards and suspicion of foreigners. As an historical poiut, it is interesting to note that today's Communist rulers behave in much the same way as did their Imperial predecessors when it comes to dealing with foreigners.

Thus we have the creation of special compounds in which foreigners live, special zones in which they are allowed to invest, special shops they cau visit, special hotels in which they can stay, special people they are authorised to deal with and so oo. This campaign of encirclement may be justified in a number of respects in a society not used to dealing with outsiders, but to administer it inflexibly as is the case in Chioa would seem to run counter to the spirit of the so-called open-door policy.

Pakistan invites foreign oil bids

By David Dodwell in Islamabad

PAKISTAN is to invite international bids for oil exploration and development on 11 onshore blocks where surveys have identified oil-bearing structures. Pakistan's lack of sophisticated drilling equipment and a shortage of funds make early development of the blocks unlikely without extensive foreign involvement.

Pakistan faces problems with one source of oil, the Kharg Island terminal in Iran, where the Gulf war is affecting supplies. Pakistan takes 10,000 barrels a day from Kharg, about 8 per cent of its needs.

The developments highlight both Pakistan's vulnerability to disruptions in oil supplies—about 90 per cent of its daily needs have to be imported—and the urgent need to increase domestic oil production.

The 11 blocks for which bids have been invited extend from Baluchistan in the south, around the Khashkeli field establisbed recently by BP and near the Dhodak field, discovered four years ago but mainly gas bearing, and in the north, in the Pothwar basin.

Indian petroleum import bill jumps

By K. K. Sharma in New Delhi

INDIA IS to import 5.5m tonnes of refined petroleum products this year against the original estimates of 4m tonnes because of labour trouble in a Bombay refinery and the late commissioning of two other refineries.

This is expected to add nearly $500m (£280m) to the annual import bill and to increase considerably the pressure on the balance of payments at a time when foreign exchange reserves are worth only three months of imports.

AMERICAN NEWS

U.S. army 'seeks free hand over N-weapons'

U.S. ARMY officials have told Congress they want to be able to use nuclear weapons in a European war without presidential approval in advance, AP reports from Washington.

Democrat congressman Norman W. Dicks said the idea was broached several months ago in a briefing for members of the appropriations sub-committee of the House of Representatives on defence.

A brigadier-general whom Mr Dicks did not identify said the army feared that field commanders would not be able to get permission from the President in time for nuclear weapons to be used effectively in stopping a Soviet invasion of Western Europe, the congressman said.

The briefing, on land warfare in the year 2000, was not secret, Mr Dicks said. But the sub-committee then held closed hearings, and the Pentagon deleted exchanges on the matter from the transcript on grounds of secrecy.

Canada imposes price rise ceiling

CANADA'S Government has established a five-member Cabinet sub-committee whose approval will be required for any price increases under federal jurisdiction—such as transport, communications and banking—which exceed 6 per cent.

The committee has been created in an attempt to strengthen the Government's efforts to reduce inflation to the 6 per cent from the current rate of 11.2 per cent.

Bid to modify AT & T settlement abandoned

American Telephone and Telegraph (AT&T) won a major political victory in Washington yesterday when a Democrat Congressman abandoned his attempt to change the proposed anti-trust settlement between the telephone company and the U.S. justice department, Paul Betts writes from New York.

Congressman Timothy Wirth has sought modifications in the settlement because he claimed it was too favourable.

Under the settlement, AT&T would give up its local telephon operating companies in exchange for the right to enter any new unregulated business.

Jimmy Burns in Buenos Aires assesses the monumental task facing the new Minister

Argentina's economy inspires little faith

IN HIS address to his war-scarred country, soon after taking office earlier this month, Sr Jose Maria Dagnino Pastore, the Economy Minister, warned: "Tha situation is very grave. The Argentine economy is in a state of unprecedented collapse, which can only really be classified as a national emergency."

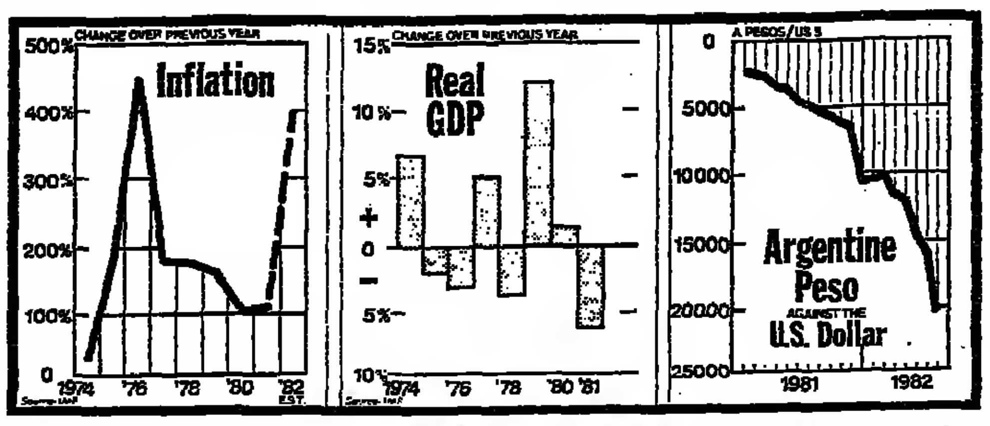
Accompanying Sr Pastore's gloomy assessment was a grim list of statistics, the latest contribution to the growing collective depression. In an instant, the interval of war was wiped away, and Argentines were brought back to the sama facts that on March 30 had provoked a social explosion against the government of Gen Leopoldo Galtieri.

In Argentina, gross domestic produce fell by 6.1 per cent in 1981. Industrial output is currently at its lowest with most companies operating at just over 50 per cent capacity. Consumption per capita has fallen by 8 per cent in three years. Unemployment has risen from 2 to 6 per cent, the highest level admitted officially in 15 years — although some economists estimate that as maoy as 13 per cent of the active population could now be out of a joh.

The numher of bankruptciea over the last 12 months has heen aix times more than in 1977. During the intervening four-year period no less than 118 banks and finance houses have had to close. Argentina's current foreign debt stands at nearly $36bn (£21bn), compared with $8bn in 1975. Argentina owes $4.5hn in interest alone this year which, according to Sr Pastore, means that for every $1 Argentina exports, 40 cents goes to pay back interest.

The Minister's inventory was above all else an implicit condemnation of the untrammelled frea market policies favoured hy successive Argentine governments since the 1976 coup. As such, it signalled a radical change of perception for the man who, from 1976 to 1978, conducted Argentina's external deht negotiations in Europe.

Those who accompanied him now call him a traitor. A more charitable assessment is that Sr Pastore is taking a pragmatic approach to the social pressures building up around the military régime and for which the April 2 invasion provided only the illusion of an escape valve.



In sheer budgetary terms, the cost of the war was probably less than was at first suspected. Most of the equipment used against the British had been bought three years previously in preparation for a war with Chile.

Much of the overall cost of the campaign—estimated within the first two weeks of the invasion at over $500m—is believed to have heen covered by existing military budgets and voluntary contributions of cash and goods part of the Patriotic Fund.

In trade terms Argentina lost an estimated $350m in export orders to the EEC, hut this was largely balanced out by a forced reduction of imports. On the foreign debt side, the effects of British financial sanctions were lessened hy the opening of an Escrow account for the payment of interest payments in New York. Individual non-British banks (mainly U.S.) agreed to roll over debts throughout most of the war period.

The war did, however, effectively undermine a cohesive economic programme, severely delaying the much overdue solutions to the crisis.

Sr Pastore has announced a bold plan aimed at reactivating the economy through boosting exports and domestic consumption. Measures already announced include a major devaluation of the peso, a lowering of interest rates, across-the-board salary increases and stiff controls on imports. But the post-war revival plan is already running the risk of becoming a non-starter hy threatening to take the country uncontrollably down the road to hyperinflation.

The speed and scope of prica rises over the past two weeks have heen dramatic: there bave

Sr Paostore . . . condemnation of free market policies since 1976.

heen increases of between 40 and 100 per cent on almost all consumer products. Wholesale prices already experienced a sharp increase of 15 per cent during the month of June, so that some economists now predict that the annual inflation rate conld top the 400 per cent mark this year.

The Government has tried to put on a brave face. President Reynaldo Bignone said over the weekend that the inflationary shock was according to plan and that matters would soon be under control.

Sr Pastore, meanwbile, is laying great empbasis on an agreement he is hoping to clinch with the main employers' federation, the Union Argentina Industrial. This would involve giving companies that agreed to price controls preferential credit terms.

The scheme has a number of drawbacks, not least the difficulties the Government will have in seeing tbat it is adhered to througbout industry and by the complex web of distribntion aod middlemen involved in the sale of most goods in Argentina.

Moreover, in the current post-war atmosphere, what the Governmeot says is goiog to happen and what tbe average Argentine thinks is going to happen are two very distinct things.

Expectationa of runaway inflation produced scenes verging on financial hysteria io Buenos Aires last week. "It's infernal," commented one local banker as he watched clients withdraw their deposits, and leave him virtually emptied of funda by the end of one particularly critical day.

On July 6, Sr Pastore announced a 21 per cent devaluation of the peso but, while the official commercial dollars rate was maintained at around 20,000 pesos, for most of the week by the central hank, last Friday saw the black market changing dollars at over 50,000. This is in startling contrast lo the quotation of 2,000 to the dollar at the beginning of last year.

An equally dramatic reaction to Sr Pastore's economic announcements came in a demented assault on the Buenos Aires stock exchange—pesos 28 trillion-worth of shares changed hands on Thursday alone. The next day the Bank of London and South America (BOLSA) announced that it was suspending all operations for the day because of a large hacklog of unliquidated orders in the hands of hrokers. Most observers were expressing fears that the buble might suddenly burst and were relieved to have a breathing space.

Savers have been drawn to the BOLSA, a fully owned subsidiary of Lloyds Bank International, as a result of the Government's financial reforms. These have short-circuited what had becoma the Argentine saver's most common hedge against inflation: short-term deposits.

By lowering interest rates, the Government is hoping to restore some stability to the financial system. It also wants to belp out Argentina's debt-ridden industry. The scramble for depositors since rates were freed in 1977 has occurred simultaneously with the application of exhorbitant rates on credit. The combination of the two bas led to many past bankruptcies and bank collapses, and the subseqnent drain on central bank funds.

By easing the overall indebtedness of companies the Government is ultimately hoping that business in general will find the necessary incentive to produce more and thus create more jobs.

Sr Pastore's critics remain sceptical. The free marketeers are unconvinced by his pledge that he will keep inflation under control—where is he going to get the bail-out money from? they ask—and helieve that the Minister will bow increasingly to "dirigiste" solutions, such as policing of price controls and a full centralisation of deposits.

They are concerned that no attempt is being made to control a public sector which is responsible for 80 per cent of Argentina's capital investment and more than 40 per cent of GDP. They fear, moreover, the power of the Minister's emerging eminence prise, Sr Domingo Cavallo, the newly appointed central bank governor, whom they believe could press for a radicalisation of the economic programme.

On the nationalist side, Sr Pastore is significantly criticised for baving fallen short of what was demanded by the political parties. The main architect of the Opposition's economic policies, the Movement for Integration and Development (MID) over the week-end strongly criticised the salary increases of 20 to 30 per cent as too little (the unions have been demanding up to 40 per cent).

MID also claimed that the financial reforms would stimulate speculation rather than investment. "The crisis is not only not going to get solved. It's going to get worse," it warned.

U.S. economy grows by 1.7% after six months in decline

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. economy began to grow again in the second quarter of this year after six months in steep decline, the Commerce Department said yesterday. Preliminary GNP figures showed real growth at an annual rate of 1.7 per cent in tha three months from April to June.

Although this is higher than the department's informal estimate of 0.6 per cent growth issued last month, it does not indicate any real improvement in economic performance.

The gain was que primarily to a reduction in the rate of destocking by industry, rather than to any rise in demand, official statisticians noted.

Final sales fell at an annual rate of 0.6 per cent in the quarter. But the reduction in business inveotories waa only $6.9bn, compared with $15.4bn in the first quarter.

Economic decline over the previous two quarters appears to have heen even worse than originally estimated.

The department's provisional estimates of fall in GNP have been increased from 4.5 per cent to 5.3 per cent for the last quarter of 1981 and from 3.7 per cent to 5.1 per cent for the first quarter of this year.

Nevertheless, Reagan Administration officials, took encouragement from the GNP figures yesterday.

Mr Murray Weldenbaum, chairman of tha Council of tha Council of Economic Advisers, said they made it "quite clear that the worst of the difficult times are behind us and the economy should continue expanding."

Mr Malcolm Baldrige, the Commerce Secretary, was more cautious. He said the economy was now in "a transition stage" and would show "some rise" in the current quarter.

By the fourth quarter of this year the economy may be growing at an annual rate of about 4 per cent, he said.

Earlier this month, Administration officials leaked a mid-year economic forecast prepared by the White House showing growth of between 4 and 5 per cent in the second half of the year.

Official publication of the forecast, which is theoretically required by law in mid-July has been delayed, however.

Mobil reverses decision to drop Libyan interests

BY PAUL BETTS IN NEW YORK

MOBIL, the second largest U.S. oil company, haa withdrawn its notice of surrender of oil exploration and production interests in Lihya, reversing its earlier decision to pull out of the North African country hy the middle of this month.

Mohil notified the Libyan authorities it was planning to relinquish its interest on July 13 hecause it could not reach "acceptable terms" with Tripoli.

The company has declined to say whether the decision to withdraw its notice of surrender implies it has changed its mind and is now planning to maintain operations in Libya. It is thought Mobil has contemplated selling its Libyan interests to a Philippine group.

Mobil has been in Libya since 1955 and currently has a 32 per cent interest in an oil concession which includes Veba West Germany andthe Libya government.

Mobil announced its intentions to leave Libya after Exxon abandoned Lihyan operations last year. Exxon was reimbursed about $95m (£54.6m) for its Libyan interests by Tripoli.

A combination of reasons appear to be behind Mohil's latest move. It's earlier decision is understood to have angered the Libyans who refused to accept the company's original surrender notice. The decision, taken in part for political reasons in line with the Reagan Administration's embargo on Libyan oil imports also reflected problems Mobil has traditionally faced in Libya where operations have in general been unprofitable.

WORLD TRADE NEWS

EEC set for fresh talks with U.S. on steel row

BY GILES MERRITT IN BRUSSELS

EEC Governments and European Commission officials last night were putting the finishing touches to the package of bilateral steel export deals that Britain, France, Italy, Belgium and Luxembourg are to offer the U.S. as a solution to the transatlantic steel dispute.

The precise terms of the package, which will consist of proposed voluntary cuthacks on exports hy steelmakers in those five EEC states, are to be communicated to Wasbington overnight.

Although the settlement now being sought by the EEC is an alternative to the global EEC-U.S. steel deal ahandoned hy Brussels last weekend, it is still far from certain that the Community's new offer will eod the row over allegedly subsidised EEC steel exports to the U.S.

The EEC's eleventh-hour compromise is effectively a climb-down in that it proposes bilateral arrangements for those five member states that would involve steel export restraints that would be equivalent to the scale of the preliminary countervailing duties imposed by the U.S. in advance of either subsidy levels or material injury being legally established. In other words, to remove the damaging uncertainties that are disrupting EEC steel exports to the U.S., the Community would concede the charges tbat it has to date refuted.

But it is still not certain that the U.S. will accept the EEC concessions. U.S. Commerce Department officials will have harely 48 hours in which to examine and approve the EEC proposals on some 40 suits if the July 24 deadline embodied in the U.S. anti-dumping and anti-subsidies procedure is to be met.

The EEC's last ditch offer depends on the U.S. government's use of its powers under Section 704 of the U.S. Tariffs Act to suspend the countervailing investigations, but after that deadline date it passed Washington must also win the approval of the hawkish U.S. steel industry for any settlement.

Steel experts in Brussels, meanwhile, are already beginning to scrutinise the damage that the new EEC steel package may do to the Community's prices and production regime for steel.

Paul Cheeseright adds: A team of British officials, from the Departments of Trade and Industry, British Steel Corporation and the private sector producers, went to Washington yesterday to put directly the case for a bilateral steel quota agreement to the Reagan Administration.

However, the main negotiations for a series of bilateral quota agreements between EEC countries and the U.S. will take place in Brussels, where there is a British negotiating team. These negotiations are under the general oversight of the EEC Commission.

Poland boosts coal exports

BY CHRISTOPHER BOBINSKI IN WARSAW

INCREASED OUTPUT by Poland's miners has led to a sharp rise so far this year in the country's coal exports.

Sales to foreign countries in the first half of the year rose 39 per cent, the Polish coal exporting enterprise, Weglokoks, reports. Total coal exports up to the ead of June stood at 11.7m tonnes, compared with 8.4m tonnes for the same period last year.

The latest figures indicate that the Polish coal indnstry is showing positive signs of recovery after the disruption of production as a result of the political crisis in recent years.

In 1979, the last year before strikes crippled production, sales to the West reached 25.9m tonnes. Deliveries to Comecon countries stood at 15.5m tonnes.

This year, planners are ready to allocate 28m-30m tonnas of coal for export.

Pit head output so far this year is up 16 per cent over 1981. Exports for last year were 15m tonnes.

Exports to the West for the first six months grew 24 per cent to 6m tonnes. Exports to the Comecon nations rose by 59 per cent to 5.7m tonnes in the six-month period.

Poland's exports of coking coal in the first half reached 3.1m tonnes compared to 1.9m tonnes in the same period last year, a rise of 63 per cent.

Steam coal sales reached 8.6m tonnes compared with 6.5m tonnes in the first half of 1981, a growth of 30 per cent.

Canada bank in £47m Brazil loan

BY OUR WORLD TRADE STAFF

A GROUP of international banks, including the National Bank of Canada, is leading a consortium of institutions in providing an U.S.$80m (£47m) loan to Brazil's national railway to support the purchas eof spare parts, componenls and other equipment from a Canadian corporation.

The loan is being provided to the Rede Ferroviaria Federal SA. The Canadian supplier is Bombardier of Montreal, the motorised-equipment manufacturer, which was recently awarded a multi-million dollar contract to supply subway equipment to New York city.

National Bank of Canada is acting as agent and co-lead mnage rwith the Arah Banking Corporation, Crocker Financial Services, Mitsubishi Bank of Canada and the Sumitomo Bank.

Other participating banks are Banca Commerciale Italiana of Canada, Banco Real S.A., Lloyds Bank International of Canada nd Ntionl Westminster Bank of Canada.

Mitsui 'wants to settle out of court'

By Richard Hanson in Tokyo

MITSUI and Co., Japan's second largest general trader, said yesterday it hopes to reach a prompt, out of court, settlement of charges that three employees of its U.S. subsidiary allegedly conspired to import steel at unfair prices in the late 1970s and early 1980s.

Mitsui and Co. (U.S.A.), a 100 per cent-owned subsidiary, has become the third Japanese company to be indicted in U.S. courts recently following separate, and more serious charges against employees of the electronics companies, Hitachi and Mitsubishi Electric in the IBM computer secrets case.

The indictments against Mitsui, returned on Tuesday by a U.S. Federal Grand Jury in San Francisco, allege that Mitsui (USA) employees conspired to violate the rules of the so-called trigger price mechanism on steel imports to the U.S.

The mechanism was established in 1978 to guard against dumping of steel in the U.S. market, setting prices based on Japan's highly efficient steel production costs.

At the start of the year-and-a-half-long U.S. investigation, Mitsui admitted to the Japanese Ministry of International Trade and Industry (Miti) that its own investigation revealed "technical" errors in pricing of steel imports under question.

Miti does not consider Mitsui's actions to have been intended to skirt the trigger price mechanism, and knew well in advance that the U.S. District Court in Northern California was to hand down its indictment this week.

A Mitsui official in Tokyo said the company regrets that the behaviour of any of its employees has been questioned. Mitsui's main concern now is to resolve the case as quickly as possible.

The trigger price mechanism on steel imports has been suspended twice, in 1980 and again this year, over investigations into whether European steel makers have dumped steel in the U.S. market.

Japanese steel makers have not been involved in either investigation.

Paul Cheeseright describes a bid by Peking for sales overseas

China takes step forward in aviation

CHINA is taking another tentative step into the International aviation market with a 17-seater twin-engined aircraft which can also be used for industrial activities such as crop spraying and geological survey.

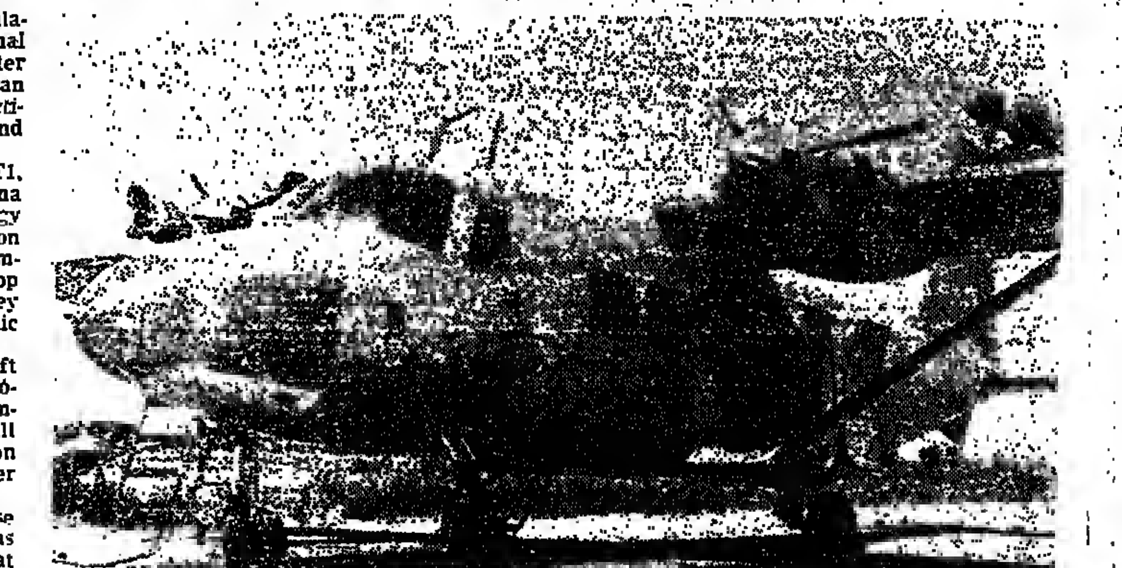
The aircraft is the Y11T1, being made by the China National Aero - Technology Import and Export Corporation (CATIC), using Chinese components except for a turbo-prop engine from Pratt and Whitney in Canada and certain avionic equipment.

Customers for the aircraft will be solicited at the Farnborough Air Show in September. Models of the aircraft will be on display. A demonstration model will be in the UK after about 10 months.

This is the first small Chinese aircraft made for sale overseas and it will be manufactured at a CATIC plant at Harbin, in north-east China, south of the border with Mongolia.

The Chinese international sales effort will be made from London where a new marketing company is being established.

This company will be a joint venture between Mr David Ward, whose private corporate vehicle is CMEC Dalian Cornhill, and D.K. Aviation, an aircraft broking and leasing company 75 per cent owned by Cosalt of Grimsby.



China's Y11T1 aircraft just before its test flight.

Mr Ward, a London entrepreneur specialising in knitting together import and export deals with Cbina, saw the maiden flight of the new aircraft in China last week.

So far, Mr Ward said, CATIC has made three Y11T aircraft, which have a smaller capacity Pratt and Whitnay engine than that destined for the Y11T1.

The first of these is being tested to destruction on jigs. The second ia that which made the maiden flight, and with the third, will be used for air testing. After this the two aircraft will be nsed for geological survey in China.

The first Y11T1 to be produced by CATIC will come to London as a demonstration model, Mr Ward said.

After certification, it is expected that the new aircraft will find sales in the private, commuter airlines and Third World internal transport markets.

Airlines seek to stem losses

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MORE THAN 80 of the world's major airlines will meet in Geneva next Monday and Tuesday to seek ways of stemming their rising losses, now estimated to be running at over $1.6bn (£94m) for 1982-83 alone.

Although fares rises will be high on the agenda, other measures, such as moves to try to stamp out illegal ticket discounting (the sale of tickets below the officially approved levels), will also be considered.

The meeting has been called by the International Air Transport Association. Its chairman will be Mr Roy Watts, the deputy chairman and managing director of British Airways, aided by Mr Knut Hammarskjold, the director-general of the International Air Transport Association (IATA).

Mr Watts is helieved to feel that on some roules, fares rises of up to at least 16 per cent are ideally necessary in a hid to raise the revenue yields of the airlines.

In practice, however, such rises would never be approved hy governments, even if they were accepted by many airlines, which is doubtful. It seems likely that rises of around 5-7 per cent will be agreed, but there could be wide differences according to the parts of the world involved.

Of more concern to many airlines, especially those flying between Europe and the Middle East and South-East Asia, is the problem of ticket discounting. Although banned under Iata's rules, and frowned on by many governments, this problem still exists, and is estimated to be costing the airlines between $500m and $1bn a year in lost revenue.

But stamping it out is a major problem. A special Iata team called the Fare Deal Monitoring Group, has been studying the prohlam for some time, and is expected to present some new proposals to the meeting next Monday.

There are many other measures the airlines would like to see taken to improve their financial position. One is for governments to take stronger measures to "straighten out" current air traffic routes, which at present involve much wasteful flying.

Iata says that in Europe alone, by straightaning out what it calls "tha tortuous ten," airlines could save $27m in fuel costs.

Another move is for governments themselves to be swifter in approving fare rises to meet rising costs. At present, the airlines' revenues are running some $1bn a year behind rising costs, because of delays in winning approvals for fares rises.

Yet another move is for some reduction in government-imposed "user charges"—such as landing fees and en-route navigation charges.

All these problems are worrying the airlines, and the Geneva meeting is likely to give them a major airing.

Whether any firm action other than plans to raise fares can emerge from the two-day session remains to be seen.

American Airlines—P25

Air Europe signs £14m tour contracts

By Our Aerospace Correspondent

CONTRACTS worth £14m have been signed by Air Europe, the UK independent holiday airline, with tour operators for winter travel in 1982-83.

The airline, which recently announced a deal with British Airways whereby it will be able to use two of the new Boeing 757 twin-jet airliners originally ordered by BA, says that it has sold all its flying capacity for the coming winter season.

It will be operating five Boeing 737s during the winter, on behalf of 26 UK tour operators.

Originally, it had nine 737s available, but two of these are being leased to Air Florida, for the wintar, and two more which it had leased from Air Florida are being returned to that airline.

The airline will be serving 16 European destinations, and expects to carry 190,000 passengers next winter between the UK and Western Europe and the Mediterranean, compared with 160,000 last winter.

Austin Rover deals end August 31st.

Great new cars.

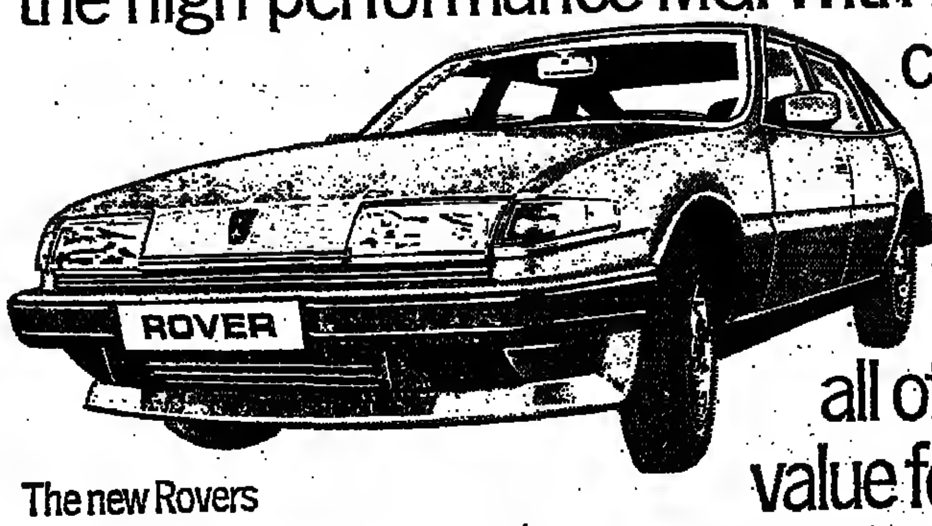
There's never been a better time to move over to Austin Rover than right now.

MG Metro

There are great new cars right across the whole range. Starting with the new economy 'E' type Minis. And then there are the stylish new Rovers, the versatile, luxurious new Austin Ambassadors.

Austin Ambassador

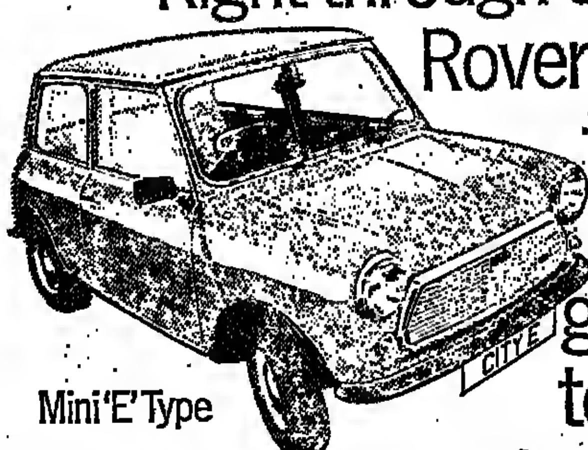
And now, the two fabulous new Metros. The prestigious Vanden Plas, and the high performance MG. With low running costs and competitive prices right across the range, they all offer outstanding value for money.



The new Rovers

Great new deals.

Right through the summer, your Austin Rover dealer is offering incredible trade-in deals.†



Mini 'E' Type

That's because we've given every dealer the means to offer you a lot more for your current car. In fact, he'll offer you far more than you ever imagined when you buy a new Mini, Metro,* Allegro, a stylish Ital, a totally equipped Acclaim or a sporty TR7.

Triumph Acclaim

But you'll have to get to your local Austin Rover showroom quickly, because trade-in deals will be ending on August 31st.

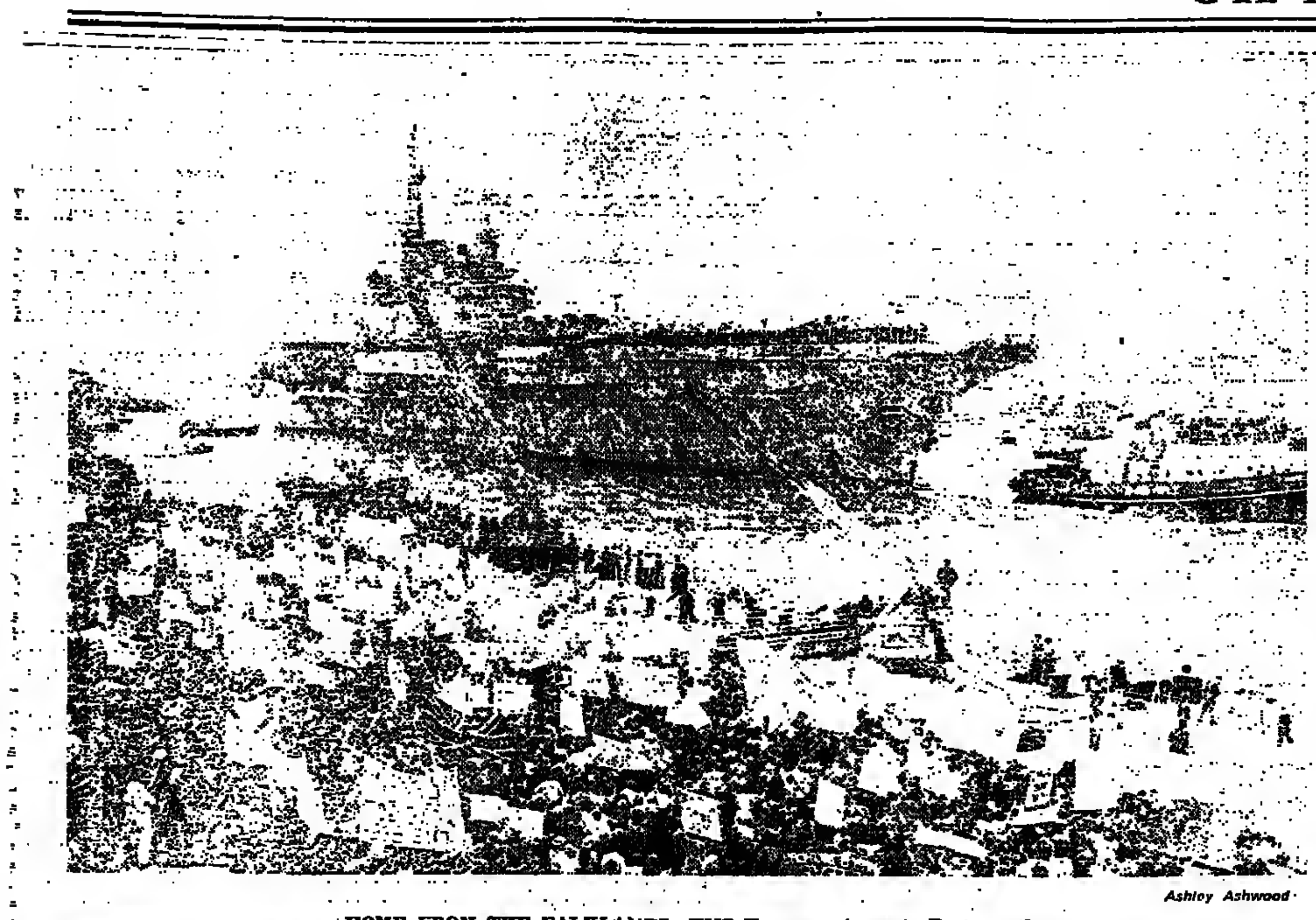
Austin Rover Hotline. If you need help finding the car of your choice, call us on 021-779 2296, day or night. With the help of our stock locator computer we'll point you in the right direction.

†While stocks last. *All models except MG.

Move over to Austin Rover.

D.O.T. FIGURES. MINI 1000. SIMULATED URBAN CYCLE 45.9 MPG (6.2 L/100 KM.) CONSTANT 56 MPH 60.5 MPG (4.7 L/100 KM.) CONSTANT 75 MPH 44.1 MPG (6.4 L/100 KM.)

UK NEWS



Ashley Ashwood

HOME FROM THE FALKLANDS: HMS Hermes returns to Portsmouth.

Westland assesses Falklands effect

Bridget Bloom reports on the prospects for Britain's helicopter manufacturer

TWO HELICOPTERS, their Argentine insignia removed, stand behind a 6-ft barrier in a corner of one of Westland's hangars, mute and expensive reminders of the fortunes war brings to companies involved in the arms business.

Westland, Britain's only helicopter company, is in an ambivalent position following the end of the Falklands conflict. When the embargo on arms sales to Argentina was imposed in April, it had probably the largest outstanding military equipment order from that country of any British company—eight Lynx helicopters, worth around £2m to £3m each.

That deal is certainly off. Even if Britain lifts all its economic and financial sanctions now that the fighting is over, it will not lift the ban on arms sales.

So Westland must find another customer for the aircraft at a time when orders are all too scarce. It is also concerned that the ban on sales to Argentina might affect sales prospects elsewhere in Latin America.

However, the Falklands conflict could make Westland's future much more secure. The company firmly believes that the Falklands proved once and for all the military importance and versatility of the helicopter.

"The helicopter was vital in getting the task force to the Falklands, in putting it ashore and in winning the land battle," said Maj. Gen. John Strawson, the company's military adviser.

Westland built all but one of the 200 or so helicopters used by Britain in the Falklands campaign. The exception was the U.S.-built heavy-lift Chinook which escaped when the Atlantic Conveyor sank after being hit by an Exocet missile.

The company is aware that Navy's 60-plus Sea Kings easily converted from their normal role of providing an anti-submarine screen for the fleet, to ferrying up to 24 Marines in full combat gear or to transporting 105mm guns and then their ammunition to emplacements on land. Executives note that the "workhorse" Wessex was vital in sorting out the hastily-assembled cargoes of the task force once the fleet assembled at Ascension Island, and that both the larger helicopters like Sea King and the smaller Lynx, Scout and Gazelle helicopters performed well in hazardous weather conditions.

They make a special point of relating how pilots used the down draught from the Sea King's blades to drive liferafts away from burning oil at Fitzroy, and how other helicopters were used to control the movements of the thousands of Argentine prisoners in the initial confusion of the surrender at Port Stanley.

Statistics are being assembled as the pilots return and the data arrives from the Defence Ministry. The results will no doubt appear soon in sales brochures. Already, Mr John Nott, the Defence Secretary has announced that the Government will order 11 more Sea Kings, three Lynxes and up to five Gazelles.

This is an important order—"but to keep us going properly, we want one like that every four months," says Mr Frank Stanton, who is in charge of the company's Defence Ministry business.

Westland is proud that not one of the five helicopters lost in the Falklands was lost because of operational failure.

Another reason why Westland is pleased in these post Falklands days is that it believes the Government is now committed to a new generation o[f] military helicopter, the EH 101 being designed as a join[t] venture with Augusta, th[e] Italian company, to replace th[e] Navy's Sea Kings.

The EH 101 has been t[he] subject of exhaustive neg[o]tiations between Westland a[nd] Augusta, and the Governme[nt] has become involved recent[ly] as the project has been mo[re] closely defined.

Westland reckons that som[e] £32m will have been spe[nt] overall in the project definiti[on] and development phase, but estimates that the total milita[ry] and civilian business whi[ch] could be generated for bo[th] companies from the new he[li]copter is in the order of £10[...] over the next 20 years.

Neither government h[as] ordered the new aircraft yet b[ut] Mr Nott praised its intend[ed] capabilities in the recent [De]fence debate in the Common[s].

He said it would be "heav[ier] than the Sea King, it will [be] very much more agile, enabl[ing] it to operate safely from sm[all] ships in foul weather." [...] 30,000 lb, it will be able to ca[rry] 30 passengers.

CBI renews call for action on economy

BY LYNTON McLAIN

THE Confederation of British Industry yesterday called for immediate Government action to revive the economy after its 13 regional chairmen reported a further deterioration in industrial activity in many parts of the country.

Sir Terence Beckett, the director-general of the CBI, said unemployment would rise to 3.25m by the end of the year if the Government took no action along the lines recommended by the confederation. Unemployment rose to 3.19m in July.

The CBI's recommendations, made with increasing stridency in recent weeks, are based on "substantially lower interest rates, lower National Insurance surcharges, lower rates for industry and a £1bn package of capital spending by 1984," Sir Campbell Fraser, the president of the confederation, said in London yesterday after the monthly meeting of the CBI council.

The CBI has called for a meeting with Sir Geoffrey Howe, the Chancellor within the next ten days to put the case for Government action to stimulate the economy. This case, made in general terms by the CBI in evidence to the Tory backbench finance committee in the Commons last week, was rejected by Sir Geoffrey in the Commons the following day.

Sir Campbell however, insisted yesterday that the Government "could with safety be bolder in encouraging economic recovery."

The economic outlook had deteriorated since the March Budget, when the CBI had expressed the view that Government policy was too restrictive. "Circumstances since have shown that we weer right," the council said.

To support its argument that industrial activity was continuing to deteriorate, the CBI took the "unprecedented step" yesterday of publishing a preview of the regional findings of its latest economic situation report.

Most regions reported a demand remaining depressed, and even falling. In some areas, such as the South, Wales, Northern Ireland and Scotland, the optimism felt by industry early in the year had proved unfounded.

There were some bright spots, however. The South West region reported continuing optimism and signs of an upturn in domestic demand. The North reported that exports continue buoyant.

The CBI said many council members were sceptical about the prospects for an economic upturn.

Economy indices fall but prospect may improve

By Robin Pauley

THERE ARE now "definite preliminary signs" that the longer-term prospects for the economy are improving, though the short-term position has deteriorated, according to the Government cyclical indicators.

The indices for May and June published yesterday by the Central Statistical Office show that after falling into a trough last summer and autumn, there was a slow but steady advance since November.

But the short-term index has fallen to its lowest since January. The index has performed erratically in the past 12 months, and economic activity has sometimes not matched the index prediction.

A strong rise in the longer leading index is officially attributed to falling interest rates, increasing share prices and improvement in housing starts.

The coincident indicator shows the current state of the economy, while the lagging index reflects turning points a year after they occur.

The coincident indicator reached its worst low in April 1981 at 93.9 (1975=100). It has made slow progress, sticking between 98 and 99 from September to January, and since has moved slowly upward to reach 100.4 in May.

Falls in manufacturing production at the New Year, and in the output measure of GDP in the first quarter of 1982, were compensated by improvements in other components of the index, including expenditure and income measures of GDP.

The short-term indicator (1975=100) was 112.3 in May against 113.9 in April, 113.5 in March and 112.9 in February.

The longer leading index (1975=100) was 116.3 in June against 115.5 in May and 114.1 in June, 1981. The lagging index in June, 88.4 (1975=100), the same as in March and fractionally lower than in April and May, has been static for most of the past year at a low level.

Machine tool sales fell 26% last year

BY MAX COMMANDER

SALES OF machine tools by UK manufacturers amounted to £437m last year, a drop of 26 per cent by comparison with 1980. Taking into account a rise of 8 per cent in machine tool prices, the decline in sales is more than 30 per cent.

The Machine Tool Trades Association (MTTA), in its third edition of statistics, describes the fall as "catastrophic," and the steepest decline since sales statistics began to be recorded a little more than a decade ago.

The MTTA report for this year points out that the machine tool industry has suffered from the lack of investment in the home market, while boom markets overseas have been few. Changes in the value of sterling have added to uncertainties.

"As a result, although exports have held up better than the home market, this has not been enough to prevent a very depressed overall level of business," the report says.

The report shows how the shares of sales attributable to two of the main types of machine tool have changed. The biggest sector, conventional metal-cutting, contributed 65 per cent last year, similar to the proportion throughout the 1970s.

But the metal-forming sector appears to have undergone a steady decline — from 28 per cent of sales in 1974 to 17 per cent last year.

The MTTA also points to the effect of declining sales on employment within the machine tools trades industry.

It says that, although the level of employment was sustained through most of the 1970s, from 1979 until the end of last year, the number of people employed had been cut from 51,000 to fewer than 40,000. Also, there is now a great deal of short time working.

In the two years to the end of 1981, about 14 per cent of the industry's employees have been made redundant.

Machine Tool Statistics 1982; from MTTA Publications, 62, Bayswater Road, London, W2; £10.

Ronson secures further orders

THE JOINT receivers and managers of Ronson International—the company set up last December but which was put into receivership in July have had a number of approaches from "interested parties" regarding acquisition of the company.

They say they have this week secured further orders for Ronson products, principally lighters and other flame products. As a result, the Ronson plant in West Chirton, Tyne and Wear, is in full production and production has restarted at the Isle of Wight plant.

TSW managing director resigns

THE managing director of Television South West, Mr Peter Battle, has resigned his £30,500-a-year post. His contract was not due to expire until 1987.

Mr Kevin Golstein-Jackson, TSW chief executive, said yesterday: "There was no board room bust up." However he did not deny that there had been differences of opinion between Mr Battle and Mr Harry Turner, sales director.

Mr Battle will be retained by TSW as a non-executive director.

Coal exports to France cheaper

BY RAY DAFTER, ENERGY EDITOR

THE National Coal Board is exporting coal to France at a price lower than that charged to the Central Electricity Generating Board, Mr Nigel Lawson, Energy Secretary, told MPs yesterday.

Pressed by the Energy Select Committee, he confirmed that under the terms of a long-term export agreement Electricite de France, the French state electricity corporation, was buying UK coal more cheaply than its UK counterpart.

It was not a state of affairs welcomed by the Government, Mr Lawson said. The three-year contract had been signed in 1981 at a price in line with rates charged in the UK. Because the export contract contained a substantial fixed-price element, however, it had become cheaper in relation to the UK.

He said the Coal Board had sought export sales because its level of production was substantially exceeding UK requirements. Exports were preferable to building up even greater stocks with their associated high finance charges.

The price charged to the French electricity company was an exception rather than the rule, he said. He apologised for having told the energy [com]mittee earlier that claims [of] disparity between UK [and] French prices were wrong.

Mr Lawson, outlining [...] energy policies, said it wa[s the] Government's intention to [intro]duce legislation in the [next] session of Parliament to [en]courage the suply of elect[ricity] by the private sector. The[se] was aimed at restoring ge[nuine] market conditions to the [elec]tricity industry.

The Government, he sai[d, had] taken steps already to enco[urage] greater efficiency and more [...] market conditions to state-o[wned] energy industries.

Public sector energy i[nvest]ment decisions should in ge[neral] be based "not on a sin[gle-]minded attempt to match [pro]jected UK demand and su[pply] but rather, as in the pri[vate] sector, on whether the in[vest]ment is likely to offer a wo[rth]while return on capital."

The Government was not [try]ing to forecast future ene[rgy] supply and demand. "[The] Government has no hot line [to] the future," he said. Ene[rgy] policy would be based on ma[rket ...] the most of UK resources [...] economic terms and improv[ing] the efficiency in which it w[as] supplied and used.

Retail motorcycle trade 'crippled by discounting'

BY JOHN GRIFFITHS

THE RETAIL motorcycle trade is at its lowest ebb for 40 years in the UK and is being crippled by massive discounting and loss of profitability, according to Mr Stanley Shenton chairman of the Motor Agents Association's motorcycle committee.

The association predicts that 10 per cent of dealers could go out of business during the coming winter when sales go into their seasonal downturn.

Sales are already 23 per cent down on 1981, and the association's soundings of dealers point to a total market this year of 225,000. This compares with sales of 270,000 last year and a forecast from manufacturers that 300,000 sales would be achieved during 1982.

The gap between the manufacturers' and dealers' expectations will inevitably lead to a further rise in already excessive stock levels, Mr Shenton says. "The enormous weight of unsold warehouse and showroom stock passed on from the Japanese manufacturers to UK importers and retailers is riding the trade to ruin."

The four Japanese makers—Honda, Yamaha, Suzuki and Kawasaki—account for over 90 per cent of all UK powered two-wheeler sales.

Mr Shenton says some dealers are still trying to dispose of 1981 stock and are now prepared to sell at a loss to sustain cashflow or pay extended credit.

Alfred Herbert to put workers on short time

BY IAN RODGER

MORE THAN two-thirds of the 900 employees of the Coventry machine-tool-maker Alfred Herbert will be put on short time from August 2 because of a slump in U.S. orders.

Herbert's business was making a strong recovery since being rescued from the liquidators in October 1980 by two entrepreneurs. Turnover this year to last month was £22m, and the company made a small profit. It claims a 25 per cent share of the UK market for computer-controlled lathes.

Having re-established its position in the UK Herbert turned last year to the U.S. market, but ran into difficulty there early this year.

"Machine tool orders in the U.S. are nearly 60 per cent down on last year," Mr Ron Lench, chairman of Herbert, said.

The company will cut output to reduce stocks. From August 2 about 330 production workers will be on a 2½-day week and 310 staff on a four-day week.

This is expected to be for a limited period until stocks are cleared. No recovery in the U.S. market is expected this year.

Nick Garnett writes: The cotton-spinning company RR Greg, part of the Venlona group, told its workforce yesterday that the mill would close in October with the loss of 200 jobs.

Mr Denis Flory, production director for the company, which is at Stockport, Greater Manchester, blamed the closure on overseas competition and the state of trade. This made it "impossible" for the mill to continue trading, he said.

Four-and-a-half years ago cotton and related textile activities in Britain employed 73,000 people. This has shrunk to about 35,000.

Construction orders rise 2%

NEW construction orders in the three months to the end of May were 2 per cent higher than in the previous quarter and 11 per cent higher than in the corresponding period a year ago.

However the National Federation of Building Trades Employers said the Government's figures presented a false picture of a recovery in the construction industry. The latest figures had been boosted by an exceptional March while last year's figures had been depressed by a poor May.

Yates has resigned from Butterfield-Harvey

BY JOHN MOORE

BUTTERFIELD-HARVEY, the industrial holding company, said yesterday that Mr Geoffrey Yates has resigned as a director and chief executive of the group by "mutual agreement."

Mr Yates had two and a half years to run on a service agreement and compensation has been agreed. Mr Thomas Honess, chairman, said that the compensation figure was around £60,000.

In its last financial year ending April 1982, the group reported losses before taxation of £4.3m compared with losses of £2.7m a year earlier.

Yesterday's announcement by the group was accompanied by a series of other board changes. Sir Monty Finniston, a director has been appointed deputy chairman.

Mr W. E. Greenhalgh, another member of the board since the formation of Butterfield-Harvey and chairman of many group companies, is appointed managing director.

To the board comes Mr W. T. Lees, who joined the Butterfield-Harvey group on April 5 1982 as chairman of the Shelvoke and Drewry company.

Portals to revamp Overton Mill

PORTALS, the world's largest producer of banknote paper, is to spend £10m on revamping its Overton Mill in Hampshire.

The money will come from resources of the group—the company is part of Portals Holdings. It will be spent on new machinery for preparing raw materials and paper-making.

Oil major's computer interests reorganised

BY JASON CRISP

BRITISH PETROLEUM has reorganised its computer services and telecommunications interests into a single group, which is now seen as one of the company's main businesses.

The new group, Scicon International, which employs more than 3,500 people, is expected *to have a turnover of more than* £100m this year. The companies which make up the new group were all part of the BP Ventures, which continues with other activities.

Scicon International includes two UK Scicon computer software and consultancy companies, which are being merged and make up the largest group of its kind in the UK. The group includes SCS in Germany, GFI in France, and Systems Control in the U.S.

The group will also be responsible for BP's 40 per cent stake in Mercury, the private telecommunications venture which is to compete with British Telecom. (Other Mercury shareholders are Cable and Wireless and Barclays Merchant Bank.)

Scicon International's chie[f] executive is to be Mr Brya[n] Marson-Smith, who was head o[f] BP Ventures. The establish[ment] of the new group mean[s] BP has 10 business areas—o[il] exploration and production, o[il] refining and marketing, chem[i]cals, coal, gas, minerals, nut[ri]tion, detergents, BP Ventur[es] and computer systems.

In the past 18 months, B[P] has sold six companies fro[m] BP Ventures because they we[re] unlikely to become a significa[nt] part of its activities. Th[ey] include Omisco, Rankin Ku[hn] and Sub-Sea Group. Compan[ies] which are still part of B[P] Ventures include Rockwo[ol,] Kaldair and Bristol Compos[ite] Materials.

Figures reflect encouraging trend in business births

BY TIM DICKSON

A MORE encouraging trend in UK company "births" and "deaths" is highlighted by new research to be published by the Department of Industry tomorrow.

Analysis of new VAT registrations and deregistrations by Mr Pom Ganguly, the department's statistician, shows that in 1981 a significantly larger number of companies were set up than ceased to trade.

Similar work carried out on the VAT register for 1980 showed that roughly speaking "births" were offset by "deaths."

The results of Mr Ganguly's latest study to be published in the Industry Department's weekly news magazine British Business, show that the 1981 surplus is attributable to gains in construction, "other" services, wholesaling and the production industries. In the retailing and catering sectors there were again more deaths than births, but the two were more or less in balance in transport.

Although the VAT statistics are not an entirely reliable data base — for example, only firms with turnovers above £17,000 are required to register, and some doing so for the first time may not necessarily be "new" — they are thought in official circles to be most likely in the long run to yield consistent estimates of the underlying position.

Provisional figures show that the number of births grew by 10 per cent from 114,000 in 1980 to 125,000 in 1981. On present estimates the number of deaths dropped by 5 per cent from 115,000 to 110,000 over the same period, so that births outnumbered deaths by 15,000 in 1981.

"To put it another way," the department says, "for every 100 firms that went out of business, there were around 115 which started to trade."

Over the year the average rate of new business formation was 9.3 per cent of the 1.34m businesses registered for VAT, whereas failures represented 8.2 per cent of the total. "Other" services, wholesaling, catering, retailing, motor trades and the production industries all had formation rates above average, while construction, and finance, property and professional services had lower than average cessation rates.

ESTIMATES FOR 1980 AND 1981: BIRTHS AND DEATHS OF COMPANIES BY SECTOR IN THE UK

Year	Item	Agriculture	Production	Construction	Transport	Wholesale	Retail	Finance property professional services	Catering	Motor trades	Other services	Total
1980*	Births	5,200	10,300	17,500	4,800	10,200	23,200	7,500	11,400	6,100	17,100	113,300
	Deaths	5,200	10,200	14,900	5,900	8,400	31,000	5,700	13,100	6,500	14,400	115,300
	Excess	—	100	2,600	−1,100	1,800	−7,800	1,800	−1,700	−400	2,700	−2,000
1981**	Births	5,500	12,300	18,200	5,200	11,600	27,000	7,300	12,000	7,200	18,600	124,800
	Deaths	4,500	10,100	12,800	5,300	8,200	30,850	5,700	13,100	6,100	13,400	110,900
	Excess	1,000	2,100	5,400	−100	3,400	−3,900	1,600	1,100	1,100	5,200	14,000

* Revised. ** Provisional.

Shaftesbury Theatre goes on sale

THE SHAFTESBURY Theatre is for sale. Its owner, Mr Laurie Marsh, is looking for offers in the region of £1m.

The Shaftesbury, although not in a prime site for a West End theatre, has always had the ability to attract long runs. It was the home of Hair and its latest production, They're Playing Our Song, enjoyed a profitable stay of almost two years.

Mr Marsh is selling the Shaftesbury in part to finance future plans for another of his theatres, the Astoria, which recently closed.

Communications gap splits companies and aid agencies

BY TIM DICKSON

A COMMUNICATIONS gap between small manufacturing companies and the many agencies and services established to help them was identified in a report published yesterday by an Edinburgh consulting firm.

It says agency services for *small companies* should be improved, rationalised and better co-ordinated and that the agencies should define their audiences and sharpen their publicity, define their own roles and clearly separate different and conflicting functions.

The project was funded by the British Library Research and Development Department. *It is based on data from interviews* with 200 independent manufacturing companies in Oxfordshire, West Glamorgan, Lothian and Tyne and Wear. The companies in the sample employ between one and 100 people.

Agencies such as the Industry Department Small Firms Service, the Council of Small Industries in Rural Areas (CoSIRA), local authorities, banks, accountants and small business clubs were not interviewed nationally. Details of their services were collected by questionnaire and by direct contact. These are analysed in the report.

The authors also say small companies were a difficult target for national initiatives and that initiatives relying on local contacts were likely to be more useful.

Small companies' information needs were closely related to day-to-day problems and facts were needed to make decisions at short notice. Most information in small companies was passed verbally.

Information and the Small Manufacturing Firm; Capitol Planning Information, 6, Castle Street, Edinburgh, EH2 3AT; £9.75 plus postage.

Glasgow C of C reports downturn

GLASGOW CHAMBER of Commerce has reported a considerable downturn in domestic sales, orders and exports.

Three quarters of the responses among 225 companies showed that the level of production and stocks, cash flow, employment, investment intentions, turnover and profitability were also static or showed slight deterioration.

BP refineries to close

BY NICK GARNETT, NORTHERN CORRESPONDENT

BP OIL predicted yesterday that one or two UK oil refineries would probably be shut as a result of over-capacity, besides the closures already announced by the major oil companies.

BP Oil has already closed its refinery on the Isle of Grain in the Thames Estuary, leaving it with three in the UK. Mr Ian Walker, the company's chief executive and managing director, said it had gone further than most in matching its capacity to projected needs, although it still had some over-capacity.

There would be some closu[res] among the 15 remaining [UK] refineries, but the matching [of] production capability to requi[re]ments would be handled pa[rtly] by the remodelling of refineri[es].

BP Oil made a loss of £2[...] in the first quarter of this ye[ar] mainly through refining. [Mr] Walker said the second-quar[ter] figures would not be good [and] that the marketing position [had] improved very little.

The company has been su[bsi]dising petrol sales by gar[ages] to the tune of £4m a mo[nth] during the recent sales war.

هكذا من الاحل

Burroughs loses bid to stop ICL hospital contract

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

BURROUGHS MACHINES, a subsidiary of Burroughs Corporation of the U.S., has lost its legal battla to stop a valuable computer contract in the UK going to one of its British rivals. International Computers Limited (ICL).

The Court of Appeal yesterday refused to grant an injunction to stop tha Oxford Regional Health Authority awarding ICL a contract for a pilot compnter system for the authority's Northampton district data centre.

Burroughs had appealed against a High Court judge's refusal to halt tha contract, panding full trial of the action in which Bnrroughs alleges that the authority applied the wrong criteria and breached its statutory duty in giving the contract to ICL.

Lord Justice Griffiths said that Burroughs and ICL had been among five companies short-listed for the contract and invited to tender. It was highly probable that whoever won the contract would also get those for the Oxford authority's other seven districts, in particular, for the new Milton Keynas district hospital, dne to open in March 1984.

Burroughs had been profoundly disturbed by a newspaper article which had suggested that the authority had heen about to award the contract to Burroughs when the Government intervened and told tha authority to buy British. ICL was the only British company to tender.

The authority had subsequently voted 9-2 in favour of a contract for ICL.

Lord Justice Griffiths said that the anthority strongly denied Burrough's allegation that it had been affected by a bias to buy British.

The judge said that, if an injunction were granted, it would be almost impossible to police. If the authority were to meet again and confirm ICL, the court would not be able to discover the thought processes of the authority's members without an immensely long and complex investigation.

Also, an injunction would put tha authority at risk of contempt of court, as well as of having to pay damages if Burroughs were to win the case.

Burroughs had argued that, if it were to lose the Northampton contract, its chances of contracts in other regions would be prejudiced.

Since the Northampton contract was the first to be awarded since the formation of the National Health Service computer policy committee, the company which secured it would have a head start in the other regions, Burroughs contended.

But the judge thought it "wildly improbable" that the policy committee's guidelines would push all the regions into ICL's arms. If that were to happen, the NHS would lose all the benefits of competitive tenders and suffer all the disadvantages of being at the mercy of a monopoly, he said.

Plastics deal approved

BY SUE CAMERON

THE GOVERNMENT has approved the plastics swap deal announced last month by BP Chemicals and Imperial Chemical Industries.

Lord Cockfield, the Trade Secretary, said yesterday that after consulting the Office of Fair Trading he would not be referring the deal to the Monopolies and Mergers Commission.

The deal involves the closure of seven plants and the axing of 1,800 jobs on Teesside and in South Wales. ICI will exchange its UK low density polyethylene plastic business for BP Chemicals' PVC plastics business.

It will also take a further 30 per cent interest in the huge base chemical plant on Teesside hitherto owned on a 50/50 basis by the two companies.

The deal is expected to go through on August 1.

Council spending comparisons published

MANCHESTER spent £552.62 per person on local authority services last year, the highest level of spending of any council in England and Wales. The London borough of Wandsworth spent just £220.76 per head, the lowest of any metropolitan council in the country.

The figures are contained in Local Government Comparative Statistics published by the Chartered Institute of Public Finance and Accountancy. The book provides a wealth of financial and manpower statistics broken down for each council in England and Wales and provides comparative information not available in any other part of the public sector, including central government.

The figures need to be handled cautiously because there are many reasons for differing levels of service provision, manpower levels, and spending per head. But the book is intended to provide the basis on which ratepayers can question their councils about expenditure and manning levels compared with neighbouring and other similar councils.

For example, the book shows that while Liverpool spent £434.38 per head on all services in 1981-82, another Merseyside borough, Sefton, spent only £297.70. And Newcastle spent £441 compared with Sunderland's £346.

There were also wide discrepancies in the shires. In Avon, Bristol spent £84.98 per head, but Bath only £54.41 and Northavon £31.13.

In Dorset, North Dorset spent £28 per head while Bournemouth spent £61. A clue to one of the reasons for the difference can be found in the refuse collection section which shows Bournemouth spending £7.10 per head compared with North Dorset's £3.83.

Bournemouth ratepayers could use these figures from the book to find out why their service was more expensive; those in North Dorset could use them to argue for higher spending to provide a better service if they thought it necessary.

Computer to guide industry in grants maze

The microchip is helping business find out about the aid available to it, reports Anthony Moreton

WHEN FORD decided five years ago to build an engine plant at Bridgend, in South Wales, it received well over £150m in Government regional development grants.

The grants were to help with the cost of buildings and machinery, and some assistance was geared to the number of jobs created.

Most large companies like Ford know what assistance they can receive from choosing a site in a development area and some even have departments to keep abreast of policy in this area.

However, most small companies have only a sketchy idea of what is available, and even those who advise them are often ignorant of many of tha inducements offered by Government.

This is not surprising. Mr Kevin Allen, co-director of the Centre for the Study of Public Policy at Strathclyde University, compiled and published a book last year on the help available to industry in the UK in 1981—it ran to 455 pages.

How many people know, for instance, that there is an Energy Quick Advice Service, which provides non-domestic energy users with advice on the afficient use of energy? And how many know it is free?

How many know about the Software Products Scheme, under which a grant or a shared cost contract is available to service concerns to offset the costs of developing and marketing a software product?

The problem with a book is that, however topical and comprehensive it is, it can be revised only on republication, and so tends to date quickly, especially in a fast-moving field, such as industrial assistance.

To overcome this drawback, Mr Allen and Dr Stephen Tagg, a colleagua at the university, have put the book into a computer.

This is no academic exercise. The centre is a self-funding body within the university, and the computer-application of the book is intended to have practical uses:

"The great advantage of a computer is that it can be constantly updated," said Mr Allen.

"We put all tha information in the book—Industrial Aids in the UK, a Businessman's Guide—into the computer for the first time last year, and barely a week goes by when we don't have to put at laast four changes into the computer.

"These are not just changes of policy, though these take place frequently enough. Just as important are changes in address. No one wants to write to an official body only to find it has moved.

"The computer will never replace the reference book, but I can envisage the day when it will replace the printed book among those who advise others."

A visual display unit at Strathclyde is linked to an ICL 2980 computer in Edinburgh, which the university shares with Glasgow and Edinburgh Universities. The computer is being replaced with a 2988 model next week.

A full alphabetical list of all the aids has been fed into the computer. For those with soma idea of the name of an aid, but who do not know its precise form, the computer will throw up every aid with, say, tha word "research" in the title if that word is fed into it. There are filters to break down the categories and make the search more easy.

It is the filter system, says Dr Tagg, which makes this system stand out.

For instance, anyone wanting to find out abont enterprise zones can do so by keying in the figure 22. This throws up 14 further — or "filtered" — headings on the zones. Number 2 would be the awarding body, 6 the application deadlines, 9 the eligible expenditure, 11 the payment procedure, and so on.

Mr Allen is gearing his service towards consultants, local authority industrial development officers, stockbrokers, Government departments and, especially, the banks. He is negotiating with a group of Scottish banks which he hopes will use all his services through their branches.

If the end user has a computer, then he can link it directly with that used by Strathclyde. If not, the user can link via a visual display unit and print-out machine.

The main advantage of the system is its comprehensive coverage. It is impossibla these days for anyone to remember the full list of aids available to industry, especially as local authorities are increasingly supplementing what is available nationally.

The Allen and Tagg system gets round this by storing information in such a way that it can be recovered cheaply and quickly.

Mr Allen's interest in industrial aids arose out of his work on regional assistance. He has been producing at the centre a book on European regional incentives, a comprehensive list of what is available in the 10 EEC countries, Portugal and Sweden.

The centre is funded from West Germany, Italy, the U.S. and Britain and most of its work is coocerned with research into regional matters. There is a teaching element, but most of Mr Allen's own work is concerned with the research side.

He is working on a project for the Scottish Office on regional development agencies in Europe and their role in the field of small companies. His taam is also working on European regional trends for the U.S. Department of Agriculture.

He sees the feeding of his work on industrial assistance into the computer as an enormous stride forward and one that particularly pleases him in Information Technology Year.

Welsh tourism suffers decline

BY ROBIN REEVES

THE WELSH tourist industry last year suffered its first drop in revenue since the 1960s and is likely to undergo a further decline this year, according to a gloomy annual report from the Wales Tourist Board published yesterday.

The industry ran into "unprecedented difficulties" in 1981 arising above all from the recession, the report says. Wales managed to maintain its share of a shrinking British domestic holiday market, but it suffered a drop in overseas traffic and in spending by business visitors.

Spending by British holidaymakers is calculated to have fallen by about 5 per cent to £425m, while foreign visitors added only a further £50m—less than the previous year.

The total number of trips to Wales of one night or more fell from 12.5m to 11.5m, and the average occupation of hotel beds is estimated to have declined to 38 per cent over the 12 months.

"These trends were followed by one of the most severe winters for many years; rail stoppages; and adverse publicity brought about by the continuation of arson attacks on cottages and the placing of bombs by Welsh extremists in several official buldings in England," the report says.

As a result, it warns, enquiries stemming from the board's main promotional campaign up to the end of March were showing a 15 per cent drop compared with last year.

Since then the level of enquiries has recovered a little, but the board said yesterday that Welsh resorts were bound to have suffered from the recent rail strike.

The board has just introduced a £100,000 crash promotional programme to try to repair the damage resulting from this. It includes setting up a holiday hot-line at its offices which tourists can ring free of charge to arrange their accommodation.

But in the light of evidence that the whole UK tourist indusry is set to register a significant decline this year, the report calls for a radical reassessment of present policies towards the Welsh tourist industry.

Among other recommendations, it urges a marked relaxation in planning restrictions on caravan sites. "There are many parts of Wales which could benefit from the 70 to 80 jobs which a large caravan park might provide, and where currently unattractive sites could and should be improved."

It wants local authorities to do more to attract day visitor traffic, probably worth about £75m a year to Wales, but which has been dropping. It also calls for school yards, playing fields and leisure complexes, already provided out of public funds but under-utilised during the summer, to be made available as tourist facilities.

Ulster industry review expected to urge tax move

BY OUR BELFAST CORRESPONDENT

A GOVERNMENT review of Northern Ireland's industrial development incentives, which is nearing completion, is expected to recommend a low level of corporation tax as a means of attracting more employment.

It follows pressure on the Government to revamp tha incentives package to make it more competitive with Ireland's Industrial Development Authority, which can offer a 10 per cent tax rate to incoming investors.

The new Industrial Development Board, amalgamating the functions of the present separate development agencies in Northern Ireland, will come into operation by September this year.

The current review is being conducted by the Northern Ireland Department of Commerce. It will shortly be passed to other government departments in the Province and in Great Britain for comment. The IDB will also be consulted and this means the final decision is some months away.

Mr James Prior, the Northern Ireland Secretary, who has just finished a brief U.S. tour, partially aimed at rekindling industrial interest in the Province, has already told the Commons that officials are examining tax aspects of the package.

Treasury and Inland Revenne doubts about applying a different level of corporation tax to Northern Ireland, have thwarted former moves towards adopting a tax lure similar to Ireland's.

Mr Prior has reminded MPs of the problems posed by trying to take a different course from the rest of the UK. However, he can argue that the decline in investment in Northern Ireland warrants radical treatment.

UK NEWS: PARLIAMENT

BUCKINGHAM PALACE SECURITY

New department to guard royalty

A SHAKE-UP in security at Buckingham Palace and all aspects of royalty protection was announced in the Commons yesterday by Mr William Whitelaw, the Home Secretary.

He also told MPs that an inquiry would be mounted by Lord Bridge, chairman of the Security Commission, into the appointment and activities of Commander Michael Trestrail, the Queen's Police Officer, who has admitted a relationship with a male prostitute.

Mr Whitelaw's statement, follows the intrusion into the palace by Michael Fagan on July 9 and the separate issue of Cdr Trestrail's resignation. The Home Secretary promised:

- A new department responsible for all aspects of royalty protection to be headed by Deputy Assistant Commissioner Colin Smith and based at the palace.
- A new group to be set up, composed of Royal Household representatives, police, household division and Property Services Agency, to monitor security regularly.

Mr Whitelaw said the new group would meet regularly to examine the effectiveness of the arrangements. It would not lessen Deputy Assistant Commissioner Smith's operational responsibility or that of the Metropolitan Police Commissioner.

"The group will report personally to me," Mr Whitelaw said.

The Minister said he had invited Lord Bridge to investigate the appointment as Queen's Police Officer and the activities of Commander Trestrail with a view to determining whether security was breached or put at risk and to advise, whether in the light of that investigation, any change in security arrangements was necessary or desirable.

"Although I have no evidence of a connection between this matter and the incident on July 9, involving Michael Fagan, I am arranging for Lord Bridge to see all the papers relating to the events on July 9 so that he can make any further inquiries he considers necessary and advise on the adequacy of the police inquiries."

Mr Whitelaw said that the inquiry by Assistant Commissioner John Dellow into palace security following the Fagan intrusion had shown up some technical failures at the palace. But, "the basic cause of the breakdown of security was a failure by the police to respond efficiently and urgently.

"Furthermore the incident revealed slackness and weakness in supervision."

Mr Whitelaw then gave details of the security shake-up planned for Buckingham Palace and other royal residences. He said the senior officers in the new Royalty Protection Department, including Mr Smith, would work from Buckingham Palace. This co-ordination at the palace would ensure the closest supervision at senior level and effect the most direct links with the household and staff of the Queen.

Mr Smith's first task would include the right to make recommendations for revised arrangements for posting and training and keeping them under review. "He will pay particular attention to establishing and maintaining a regime of duty which is adequately varied and testing," Mr Whitelaw said.

William Whitelaw: special group to monitor arrangements.

Since the Fagan incident the number of uniformed police officers on protection duties had been increased and some new technical security devices had been installed.

Mr Whitelaw said some existing security devices had been relocated and all had been thoroughly tested. Mr Dellow's inquiry would continue into further physical security measures.

"I have asked Mr Dellow to draw on all sources of available expertise in the public and private sectors.

But all the physical measures depend ultimately on the people who operate them being of high quality and properly supervised.

"The new leadership and arrangements I have outlined are designed to ensure this."

Chief officers of other police forces in England and Wales, who have responsibility for royal homes had been asked to review the arrangements they had made for those residences.

Mr Whitelaw said the new permanent group to examine the effectiveness of arrangements made and to report to the Home Secretary would be chaired by a senior Home Office official.

The Minister said the "shocking events" of the Fagan break-in had been handled by the Queen with great composure and resolution. But it is intolerable that she should have been exposed to this intrusion and put at risk in this way.

"There has been an appalling lapse of security and I know that the whole House, and the country, will demand that the lessons of this incident must be learned so that the protection that we give to the Queen and members of her family is the best that can be provided."

Mr Roy Hattersley, the shadow Home Secretary, said it was appalling that breaches of security had happened so often and had happened with so little response. The several incursions into the palace were the result of negligence at every level:

Suspicion focused on EEC funds

By Our Parliamentary Staff

GUARDED COMMENTS by Mr Douglas Hurd, Foreign Office Minister of State, on possible moves to make more money directly available to the European Community through an increase in the "own resources" element of the Community budget aroused suspicions on both sides of the Commons last night.

Mr Anthony Marlow (Con, Northampton North), a leading critic of the EEC, who claimed that the Community budget was going to run out of funds, demanded an assurance that the Government would set its face against any proposal which would result in new demands being made on British taxpayers' money.

Mr Hurd reaffirmed that Britain did not want to see any increase in the 1 per cent contribution from value added tax receipts which member states allocate to the Community's "own resources." But he ran into difficulties when he went on to state that no other proposals were "yet" before the Government for dealing with the "own resources" problem.

In an unavailing attempt to head off the critics Mr Hurd stressed: "It is not imminent in the sense that the Community is not at the moment running out of cash."

Mr Roger Moate (Con Faversham) reminded the Minister that he had not confirmed that the Government, in addition to refusing to increase the 1 per cent contribution from VAT receipts, would also oppose any other new source of revenue being made available to the Community.

Mr Hurd replied: "I can't given an assurance for ever. All I am saying is that at present there are no proposals for an increase in "own resources."

Mr Eric Heffer, Labour's spokesman on European affairs, renewed Labour's commitment to negotiate Britain's release from the obligations imposed by the Treaty of Rome.

Bail plea succeeds

THE GOVERNMENT was defeated in the Lords last night over a move to allow bail for people convicted on indictment in the Crown Court, pending appeal.

A claim by *Lord Hutchinson* (SDP), a former Recorder, that it would save a small number of people suffering wrongful imprisonment gained all-party support. His amendment was carried by 112 votes to 82 during the Report Stage of the Criminal Justice Bill.

Labour in 'near-terminal state'

BY IVOR OWEN

SOCIAL DEMOCRATS and Liberals were urged by Mr Roy Jenkins yesterday to maximise the opportunities provided by their forthcoming party conferences to rekindle public support for their efforts to achieve a major breakthrough by the SDP-Liberal Alliance at the next general election.

Speaking at a parliamentary Press gallery function he said: "The autumn, but perhaps above all the early autumn, is going to be the testing time as to whether the Alliance can fully regain its momentum."

Mr Jenkins linked his recognition of declining public opinion poll ratings suffered by the SDP and the Liberals in recent months with an assertion that the boost recorded (by the polls) to the Government's standing after the Falklands operation was artificially high.

He looked to this being "quickly corrected" as the public mind returned to the problems of unemployment and the economy.

Mr Jenkins stressed that all the optimistic noises of the early summer, certainly those coming from anybody except Ministers, had now completely evaporated. "Unemployment is not going down. Recovery is not on the way."

He also took comfort from the fact that there were no signs of a recovery by the Labour Party. "I believe, as objectively as I can see it, that Labour may now be in a near terminal condition, not as a party, but as a party of Government."

Mr Jenkins suggested that many Labour MPs had now given up hope of winning the next general election. On the eve of the publication of the first report by the joint Liberal-SDP commission on constitutional reform, he forecast that the outcome of the next election, the first for many years to be fought on a three-group or three-party system, would be likely to strengthen the case for proportional representation.

The inequities of the first-past-the-post system might well result in all three groupings securing about 30 per cent of the votes cast and produce even more glaring disparities in terms of seats won than on any previous occasion.

Mr Jenkins envisaged a situation where a party with 35 per cent of the vote might get 300 seats while another with 32 per cent of the vote secured only 30 seats.

He claimed that a system of proportional representation which produced election results requiring a compromise by all the parties would be preferable to a continuation of the era of seesaw politics. It would usher in the period of stability, which those engaged in manufacturing—workers as well as directors—wanted to see.

'Witch-hunt' challenge to Benn

BY MARGARET VAN HATTEM, POLITICAL STAFF

MR TONY BENN was yesterday challenged by two fellow Labour MPs to keep his promise to "fight like a tiger" in defence of victims of ideological witch-hunts in the party but to do so on behalf of three Right-wing councillors in his own constituency.

The challenge was issued by Mr Michael Cocks, Labour's Chief Whip, and Mr Arthur Palmer. All three represent constituencies in Bristol, the centre of a growing row over alleged infiltration of the party by extreme Left-wingers.

Earlier this month the Bristol South-East Labour Party, Mr Benn's constituency party, dropped from its list of candidates for the next local elections three sitting Labour councillors. All three had been nominated by their respective wards.

The number of seats on Bristol City Council is to be cut from 84 to 68 at next May's elections. However the three councillors—Mr Claude Draper, Labour leader of the council, Mr John McLaren and Mr Maurice Rea—believe they have been pushed out by the Left because of their political views.

In an open letter, pointedly addressed to the Rt Hon Anthony Wedgwood Benn, Mr Cocks and Mr Palmer say that to deprive the councillors of the opportunity of reselection is "indefensible." They invite him to join them in publicly condemning the action of his general management committee.

This is not the first time that Labour Right-wingers have tried to catch Mr Benn out on a matter of principle and to force him into an admission that his libertarianism applies more to the Left than the Right.

Argentina exclusion zone may be relaxed soon

BY PETER RIDDELL, POLITICAL EDITOR

PRESSURE imposed on Argentina by Britain during the Falklands crisis is likely to be relaxed only gradually and in stages.

The first step will probably be an easing of the naval exclusion zone along the Argentine coast. A statement is likely soon.

British-Argentine relations remain fluid pending the formal cessation of hostilities. The position about economic sanctions, including the freezing of Argentine financial assets in the United Kingdom, is being kept under close review.

No decision has been taken on sanctions yet, though a partial step could be announced before the end of the parliamentary session in a week's time. A complicating factor is Argentina's own sanctions against Britain, particularly the withholding of debt interest payments to the UK.

It is being stressed in Whitehall that there is no question of ending the ban on arms sales to Argentina or resuming diplomatic relations with Buenos Aires for some considerable time.

Mrs Thatcher still plans to visit the Falklands at some stage but this looks like being several months away

Taxpayers' views sought

A CHANGE in the Inland Revenue's method of keeping individual taxpayers' records is proposed in a Government consultative paper issued yesterday.

Mr Nicholas Ridley, Financial Secretary to the Treasury, said in a Commons written reply that following a recent review by the revenue it had been decided that much of the material held in tax office files was "retained unnecessarily."

Tighter rules for gas

REGULATIONS governing the manufacture, storage, use and disposal of flammable gases and oxygen are to be tightened up, Mr David Waddington, Employment Under Secretary announced in a written reply

Cheers are muted as Willie stonewalls

By John Hunt
Parliamentary Correspondent

PARLIAMENTARY SKETCH

WHEN Willie Whitelaw recently appeared before Conservative backbenchers to explain the breaches of security at Buckingham Palace he compared himself with a cricketer who suddenly finds himself at the wicket without a bat.

Yesterday, however, he was much better prepared when he reported to the Commons on the bizarre state of affairs revealed in the Dellow Report on Michael Fagan's intrusion into the Queen's bedroom and the resignation of Commander Trestrail, the Queen's Police Officer.

The Home Secretary not only carried a bat, he also made sure that he was wearing extra thick pads and one of those tough helmets which batsmen use to protect themselves against demon bowlers.

A cagey old player like Willie knows when to lash out like a Bradman or stone-wall like the late Jack Hobbs. Yesterday he opted for the latter and earned a muted cheer from Conservative backbenchers when he sat down. On the present difficult wicket that was the best anyone could hope for.

In Roy Hattersley, Labour's shadow Home Secretary, he faced a crafty slow bowler. After making a great show of indignation about the "appalling" incidents at the palace, Mr Hattersley slipped in a nasty googly. He wanted to know whether Mr Whitelaw had visted the palace to vet security arrangements after previous incidents when intruders managed to get into the grounds. If not, why not?

Although delivered with a grave air of responsibility this suggestion had only one aim—to get Mr Whitelaw into further trouble with his critics on the Conservative backbenches.

But the Home Secretary, who seemed almost relaxed after the tribulations of recent days, neatly blocked this by invoking one of those useful constitutional conventions. Yes, he had visited the palace after previous incidents. No, he had not examined security. That was a matter for the police and it was not his department's job to interfere "Here, here," shouted Conservative MPs loyally.

Mr Whitelaw conceded that there had been grave mistakes by the Metropolitan Police on this occasion but drew attention to their very remarkable achievements in other areas of work.

"Come off it!" shouted one Labour sceptic. "No, no, it's only fair," insisted Mr Whitelaw.

There were more Conservative cheers as Mr Nicholas Winterton (Con., Macclesfield), an unlikely ally who is never slow to criticise Ministers, said the majority of Conservative MPs had total confidence in Mr Whitelaw and the Government over the handling of the affair.

By this time some MPs on the opposition benches were obviously beginning to feel that the Government was getting away with it far too easily.

Mr John Morris (Lab Aberavon) thought Mr Whitelaw's position over the resignation of Cdr Trestrail seemed to bear out Harold Macmillan's complaint during the Profumo affair that "nobody tells me anything."

Mr George Cunningham, the latest convert to the SDP, protested: "Any other party would have been crucified by the House and the media over these affairs."

A Labour MP wanted to know how Fagan gained entry when £2m was supposed to have been spent on improving royal security after the assassination of Earl Mountbatten. "Another example of privatisation," snorted one of his colleagues.

Stirred by these taunts, the questions from Conservative backbenchers took on a more inquisitorial tone. Sir William Clark (Con Croydon South) wanted to know why more people had not been suspended.

Proceedings ended on a suitably unusual note when the normally mild-mannered Mr John Grant (SDP Islington Central) stormed out of the chamber, disobeying the instructions of the Speaker, Mr George Thomas, that he should return to his seat. Mr Grant had angrily protested that he had not been called to speak even though Michael Fagan is one of his constituents.

Labour MPs, never loath to sink the knife into one of their former comrades who has gone over to the Social Democrats, protested that Mr Grant had used some unsuitable language about the Speaker.

As a result Mr Thomas will call him to account today

Defence Ministry 'told no campaign lies'

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE Defence Ministry told no lies about what was happening during the Falklands campaign but there were many occasions when its spokesmen did not tell the whole truth or correct wrong or misleading statements, Sir Frank Cooper, Permanent Under Secretary at the Ministry, said yesterday.

Sir Frank was appearing before the first of several sessions which the Commons Select Committee on Defence is holding into the Ministry's handling of the Press and public information during the Falklands crisis.

In a memorandum to the committee, Sir Frank said the Ministry's general policy towards the media was based "on the assumption that the public has an interest in and a right to know about defence."—although that right could not be unlimited. It had to be "compatible with the overriding dictates of national and operational security and the protection of lives of service people."

During the Falklands operations the policy was "to tell the truth as quickly and as accurately as we could," Sir Frank said. He roundly denied suggestions that the Ministry had engaged in "disinformation."

Sir Timothy Kitson, the committee's chairman, asked Sir Frank whether the briefing given to defence correspondents on the eve of the San Carlos landings had not amounted to disinformation.

Sir Frank admitted to telling correspondents that there would be "no D-Day style landings" (even though the next day the troops went ashore in force). He explained that to him a D-Day type landing was opposed by an enemy, "and the whole point in the Falklands was to get ashore unopposed."

"I am ready to admit that I did not unveil the whole picture," Sir Frank said. What he had said had "led to a great deal of speculation which was very helpful to us."

It had also been helpful not to deny widespread Press reports that the nuclear submarine Superb was in the south Atlantic when in fact it had "never been anywhere near the Falklands."

Dr John Gilbert, Labour's deputy chairman of the committee, later asked Sir Frank whether he accepted that the Ministry had "suppressed the truth, and suggested what was false, without actually lying." That was a "thoroughly obnoxious suggestion," Sir Frank retorted.

In reply to another question from Dr Gilbert, Sir Frank said it was certainly right on occasions to try to deceive one's enemies, though the question of deceiving one's own people was to tread "on very much tenderer ground."

LABOUR

Health workers likely to stage further selective pay strikes

BY IVO DAWNAY, LABOUR STAFF

LEADERS OF the 11 health service unions meet today to assess the level of support for their three-day strike which ended at midnight last night.

But there is little likelihood of the TUC's co-ordinating Health Services Committee voting for any major escalation of the 10-week-old campaign for 12 per cent pay rises for all grades of NHS workers.

Instead, the unions, which represent over 600,000 NHS staff, are expected to call for more selective stoppages by key hospital departments in a bid to bring further pressure on the Government to improve on its offers of 7.5 per cent for nurses and 6 per cent for most other grades.

Though the unions are broadly pleased with the outcome of the three-day action, the patchy nature of the response has left them with a dilemma.

While health workers in some areas—most particularly Yorkshire, Merseyside and Strathclyde—have given solid backing to the campaign, elsewhere many hospitals have confined their action to selective strikes.

The National Union of Public Employees, the largest health service union with 300,000 members, will repeat its call for an all-out indefinite stoppage at today's meeting. But this is certain to be ruled out by other unions who fear there would be insufficient support.

One-day strikes may be co-ordinated at regional level, however, if there appears to be sufficient support.

The TUC committee is certain to call on Mr Norman Fowler, the Social Services Secretary, to resume talks. But privately *officials admit* that he is very unlikely to make any improvement before the outcome of the key Royal College of Nursing ballot on the offer is known at the end of next month.

Mr Fowler, yesterday again emphasised his demand for an end to the campaign, claiming that the NHS had coped "remarkably well" with the three day action.

He added that talks on creating new mechanisms for determining annual pay rises for all NHS staff groups could be held immediately if unions accepted his three-point peace plan outlined in the emergency debate in the House of Commons on Tuesday.

The plan required a resumption of meetings at the Whitley Councils — the main NHS negotiating forums—to discuss the distribution of funds now allocated to wages.

The last day of the three-day strike ended last night amid reports of increased action in several areas.

Rallies demonstrations and picket lines were joined by workers from outside the NHS in many areas. But there were no reports of shutdowns through sympathetic action.

TUC faces 'quit Neddy' calls

BY JOHN LLOYD, LABOUR EDITOR

A MAJOR debate on the TUC's future participation in the National Economic Development Council (Neddy) and in other tripartite bodies such as the *Manpower Services Commission*, now seems certain to be staged at TUC Congress in September.

Motions calling for an end to NEDC membership and a review of other forums have been received by the TUC for inclusion in Congress agenda from two important, left-led unions—the print union Sogat 82, and the white-collar engineering union AUEW Tass.

Attempts by the TUC to persuade these unions to withdraw their motions have failed. Because of the uncompromising way in which the motions are framed ,there is little possibility that they can be toned down when composite motions are drawn up next month.

The issue has become embroiled with the unions' campaign against the present Employment Bill, and is seen by its supporters as one of the most effective signals to the Government on the one hand and union members on the other that the TUC's opposition to Government policies is total.

However, the TUC representatives on the council—*including* Mr Len Murray, the TUC general secretary, and Mr David Basnett, general secretary of the General and Municipal Workers Union—have strongly argued the usefulness of the NEDC forum and, during its last meeting early this month, bitterly attacked the Government and warned that they would encourage pay claims to be as high as possible in the next pay round.

The unions remain united on the general progress of the campaign against the employment legislation. A meeting of the TUC's Employment Policy and Organisation Committee yesterday agreed to arrange a *further* series of meetings to brief senior union officials on the Employment Bill. It noted that about 8,000 officials and union members had already attended general study groups on it—four times as many as the TUC briefed on the 1971 Industrial Relations Act.

The meeting also reviewed unions' financial position, which in many cases is becoming parlous. Four options were reviewed by the committee.

These were: To set a minimum level for dues; to set an actual level; to set a common annual increase; and to set a target that dues be raised to 1 per cent of average earnings.

A background paper to the committee noted that dues now ran at around 0.3 per cent of average earnings, as against a pre-war figure of 1.5: and that union dues in most other countries were considerably higher reaching 5 per cent in the U.S.

However, the committee members felt that none of the options would stand an immediate chance of success at union conferences. It was agreed to circulate the options to unions and to reconsider the issue on the basis of responses received.

Tebbit backs pledge to rail strike rebels

BY OUR LABOUR EDITOR

MR NORMAN TEBBIT, the Employment Secretary, yesterday firmly supported British Rail's promise to train drivers that those who defied their union's strike call and might subsequently be stripped of union membership would not be sacked under BR's closed shop agreement with unions.

Answering questions after speaking to an Institute of Directors' conference, he said: "I think pledges made are best stuck by, in general terms."

In his speech, Mr Tebbit emphasised BR's pledge to the drivers, made in a letter from Sir Peter Parker, the BR chairman. He said that the action was "an all too telling example of how a management could suddenly find that the closed shop agreement was not in their best interests."

BR said yesterday that it stood by that promise. It now rests with the train drivers' union Aslef to determine whether or not to institute disciplinary action against its members — estimated by BR at 417, a figure hotly disputed by the union— who worked one or more shifts during its official dispute.

The mechanism for expelling a *member is* for his branch to call for expulsion, and for that call to go ultimately to the union's national executive to be approved or rejected.

The process would be a lengthy one—though a number of Aslef's regional officials believe that branches will wish to expel members who defied the *strike call*.

Feelings throughout the union about those members who broke the strike, and about the decision by the TUC's Finance and General Purposes Committee to tell Aslef to accept flexible rostering, run high.

This feeling is expected to emerge at the union's special delegate conference next Tuesday, and could well result in expulsion calls from militant branches.

Recriminations among senior union leaders on the TUC's conduct still rage, and will be reflected at next week's meeting of the general council. Aslef leaders have stressed that they did not ask for the committee meeting — though it was also being said yesterday that the union was looking to the committee to provide it with an escape route.

Employment Bill loophole to be closed

By Our Labour Editor

A FURTHER change in the Employment Bill has been introduced by the Government to close a loophole which allowed workers at a Plessey plant in Scotland to sit in without redress from the courts.

Early this year the Plessey workers staged an eight-week occupation of their Bathgate plant to try to save jobs. In March the Court of Session at Edinburgh upheld an earlier decision that the workers' sit-in was lawful under the terms of the Trade Union and Labour Relations Act 1974, because it was in furtherance of a trade dispute.

Mr Norman Tebbit, the Employment Secretary, yesterday told an Institute of Directors' conference in London that the judgment caused surprise in legal circles and great concern in Scottish industry. He said: Certainly no one including the Government had thought before this judgment that such occupations were protected."

Later Mr Tebbit said the law of trespass in Scotland differed significantly from that in England. The changes made in the Employment Bill in the Lords had eliminated any possibility of a similar interpretation.

He said the Bill would end its progress through the Lords next week but could not return to the Commons for the report stage in this session. It would thus receive the Royal Assent in October, at the start of the next session.

Only one clause would come into immediate operation. That was the clause which pays recompense to victims of closed-shop sackings between 1974 and 1980. Other clauses would come in as Mr Tebbit saw fit.

The clause specifying *closed-shop ballot, however*, would be delayed, as he had said earlier, for one or two years, to allow companies to make arrangements for the holding of ballots.

Labour faces pay lobby

BY OUR LABOUR EDITOR

THE Labour Party's workers will lobby its national executive committee next Wednesday to protest over a zero pay claim and cuts in staffing levels.

A meeting of the party headquarter's branch of the Transport and General Workers Union which organises about 80 of the 120 staff—yesterday agreed on a phased series of actions designed to force the party's management, and the executive committee to improve the offer.

If the lobbying fails there will be a ban on overtime and out-of-hours working and one-day strikes when appropriate. Next the staff will stage on all-out strike in September—at a time of high activity, before the party conference in October.

The staff officials of the TGWU will hold talks with their opposite numbers in the three other unions—the white-collar union Apex, the print union Sogat 82 and the National Union of Journalists—to co-ordinate action.

Labour's senior officials have received an 11 per cent award under a separate agreement. Party managers are concerned over the £500,000 deficit now being carried, and have appealed to staff to accept zero awards to assist it through a period where it is reliant on large cash injections from the unions — themselves hard pressed—to maintain its activities.

Asbestos risk being ignored, says union

BY IVO DAWNAY, LABOUR STAFF

THE General and Municipal Workers' Union called yesterday for a Parliamentary inquiry into why strict regulations on the use of asbestos have not yet been introduced.

The union claims that the asbestos industry has mounted a "cover-up" of the effects of the material on workers' health. It also demands an explanation why "urgent" recommendations of a Health and Safety Commission special inquiry have not yet been implemented.

The call for inquiry follows a television documentary on Tuesday highlighting the continued health hazards of asbestos.

Mr David Gee, GMWU health and safety officer, said that the union was now seeking the formation of a special select committee to examine the true extent of risk to the public, the failure to implement the recommendations and the cover-up by the industry.

"The committee should report within a year after public hearings, have examined independent cost and risk estimates, he said.

The health and safety executive said that the findings of its 1979 report on asbestos would by now be implemented, but the measures have been postponed to await two EEC directives on the use of the material.

Though the directives are likely to be largely based on the 1979 report, it has been decided not to introduce regulations until they are complete to avoid the duplication of new controls.

BUSINESS LAW

Long-distance runners' ordeal

BY A. H. HERMANN, Legal Correspondent

IN A week's time, on July 29, the European Court will hear an application from the British Sugar Corporation that it should order S & W Berisford not to effect a merger of the two companies until the EEC Commission has concluded its investigations.

At about the same time Professor Gordon Borrie, the Director-General of Fair Trading, may have made up his mind whether Berisford's acquisition of an additional 10 per cent of British Sugar equity, bringing its holding to over 50 per cent, should be treated as a new merger proposition, and as such referred again to the Monopolies and Mergers Commission, which reported on the companies on March 25, 1981. By that time the merger bid was already nine months old. The EEC Commission's investigations, and the probable appeals to the European Court could take another two years.

Will the two parties have to suffer that long in uncertainty and expenditure of managerial adrenalin? The relationship between the competition laws of the UK and the EEC is governed by the rule of "the double barrier." Berisford has to jump both, and whoever prohibits the merger first will put an end to the project.

It is a fair guess that the Monopolies Commission report, if there is one, will be out before a possible appeal against an EEC decision has reached the European Court. If the report opposes the merger, and is accepted by the Secretary of State, that will be the end of the story. If, on the other hand, it is neutral or favourable for Berisford, the battle will go on in Luxembourg until the bitter end.

As the Monopolies Commission report of last year cleared the merger only hesitantly, and the EEC Commission has moved from indifference to suspicion in the past three weeks, the final outcome is highly uncertain. Under such circumstances one would expect reasonable people to seek a compromise. In the unlikely event that the two parties call in a wise man to recommend a solution acceptable to both, as well as to the two commissions involved, where would he start?

His first concern would be for the outcome of the Luxembourg hearing next week. Last Friday the Commission refused to grant British Sugar a temporary injunction, saying that it saw no reason why a divestiture could not be carried out if ordered later on. But one of the undertakings imposed on Berisford by the Monopolies and Mergers Commission would require it to cease trading in Tate and Lyle sugar and sugar products, and the question is whether this would not cause such an upheaval in links between producers, merchants and consumers that a return to the *status quo ante* would be almost impossible. If the European Court does not overrule the Commission, the wise man's first task would be to convince the parties to agree to a cooling-off period.

British Sugar fears that the merged enterprise will have a debt/equity ratio of 2:1: Berisford's bankers' forecast is 1.2:1 in the worst case and only 0.73:1 if shareholders accept part-payment in Berisford shares, and they underline that a trader's debts are near to cash.

The next item on the agenda would probably be a search for a financial arrangement which would remove British Sugar's fear that the merged enterprise's great indebtedness would deflect its cash flow from where it was needed for the equipment of sugar factories and for payments to farmers. This might also probably convince the Monopolies and Mergers Commission that the merger would not be against the public interest, particularly if safeguards of British Sugar's autonomy were improved.

The remaining problem—how to satisfy the EEC Commission that competition and inter-state trade in the Community will not be affected—is both more complicated and easier to solve. The Commission has been given no power to control mergers in the EEC Treaty, but it can do so on the basis of the Continental Can decision in 1973, when the court ruled that under Article 86 an enterprise in a dominant market position may be prohibited from increasing its dominance by acquisition.

The fundamental condition for the prohibition is, of course, that the abuse affects competition and trade between member states. The court said vaguely that a merger can be considered abusive if it would so seriously restrict the freedom of the consumer that the aims of the Treaty would be sidestepped. Elimination of all competition is not a condition, but the Commission must establish that any remaining competitors would not provide a sufficient counterweight.

As to the effect on inter-state trade, no proof now seems required as the court has ruled repeatedly that any change in the structure of competition, particularly when affecting an entire national market, is bound to affect inter-state trade adversely.

If Berisford, the biggest sugar merchant in the UK, would be classified as a dominant enterprise, its acquisition of British Sugar, now producing half the sugar consumed in the UK—and all the sugar made from sugarbeet—could easily be seen as an increase in its dominant position. There are also allegations, now being studied by the EEC Commission, about price agreements between UK merchants which the merger would reinforce.

The study of EEC law could, however, also give some comfort to Berisford. If they turn up the Sugar Ring case when the Commission fined 15 European sugar refineries and one sugar merchant £4m for price fixing and market sharing, they will see that the court, in its 1,000-page judgment, adopted a very sceptical attitude. It said that the sugar policy of the Community was designed to perpetuate the partitioning of the Common Market by national quotas, and that very little scope was left for competition by the system of intervention, prices and subsidies. There was not much inter-state trade left after the EEC quotas and high transport costs had done their work. And it sounded hollow to speak of distortion of competition where there was no competition left to distort.

These are, of course, sweeping statements. The EEC sugar regime does leave some room for fine tuning. The possibility that a merger may interfere with it can be pedantically exploited or magnanimously pushed aside.

> Caught in the mesh of EEC law, Berisford and British Sugar may fight on for two years unless the bid is given a coupe de grâce

RACING

BY DOMINIC WIGAN

VERY SMALL fields are again the order of the day at Sandown this afternoon where a five-runner field for the £8,000 Star Stakes must be a particularly disappointing and mystifying blow to the United Racecourses executive.

The race, a five-furlong event for two year olds, is sandwiched between three-runner affairs for the Fox Warren Handicap and the Bow St Handicap respectively.

Although the Star Stakes lacks quantity it does have quality. In addition to having attracted Favoletto's flying daughter Favoridge the race has brought together other useful youngsters.

No one who saw Amaranda's half sister, Favoridge make her nine opponents look like selling platers at the last meeting here will want to oppose the Harry Wragg filly.

However, she will not be at attractive odds and anyone who wants to bet might do well to couple the filly in a forecast with Another Risk.

Sandown has usually proved a happy hunting ground for Willie Hastings-Bass and the New South Wales-bound trainer must be hopeful that Wiveton can provide him with the winner of the July Handicap.

On his one previous outing to date this season Lord Derby's Blakeney gelding beat Traditional Miss by a length in Haydock's Great Central Handicap. Sure to be all the better for that run, Wiveton, a son of Wolverene, should prove up to dealing with the ever improving Glide Path.

Peter Walwyn trains a promising Nijinsky filly for Stavros Niarchos in Misinskie and I am hopeful that this half sister to Clever Trick will send some backers home in a happy mood following the closing event, division two of the Raynes Park Maiden Fillies Stakes.

SANDOWN

2.00—Silk Pyjamas
2.30—Wiveton*
3.05—Rushbeds
3.45—Favoridge
4.10—That's My Son**
4.45—Thorndown
5.15—Misinskie**

TELEVISION

Tonight's Choice

"The power suddenly goes off, an underground gas line explodes, and the rollercoaster begins to collapse with the passengers aboard. Those in the park desperately flee to try to get out alive. . . ." Golly gee, just another night of Hollywood escapism on ITV (in some areas), this time in the form of **The Death Of Ocean View Park**. Why wallpaper has to be so spine-chilling these days I will never know, I'm still trying to recover from Alien.

BBC-2 meanwhile has an evening of black consciousness. A repeated **Yesterday's Witness in America** looks at American blacks at the beginning of this century.

Later in **A Promised Land** a new series is started which examines the process of immigration, and particularly the impact such a process has on the people themselves and on the receiving populations. Tonight's starter takes as its subject the first real wave of black immigrants to Britain—those who arrived in the wake of the Second World War.

Me, I'll stick with BBC-2 to indulge in a personal addiction for wildlife programmes. This time its kingfishers in the ten minute **Bird Spot** programme.

ARTHUR SANDLES

BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 1.00 pm News After Noon. 1.30-1.45 Mr. Benn. 3.45 Pobol Y Cwm. 4.18 Regional News for England (except London). 4.20 Play School. 4.45 All New Popeye Show. 5.05 Newsround. 5.10 Think Again: The fun behind the facts about Chairs.

5.40 News.
6.00 Regional News Magazines.
6.25 Nationwide.
6.55 Holiday Report: The latest news of developments affecting your holiday.
7.05 Medical Express: The popular medical magazine programme.
7.35 Top of the Pops introduced by Simon Bates.
8.10 Fame.
9.00 News.
9.25 Task Force South: The Battle for the Falklands, part 2: Fleet at Sea.
9.55 The Royal International Horse Show 1982, from Wembley Arena, featuring The Daily Mail Cup.
11.13 News Headlines.
11.15 Horizon: The first of six programmes: Death of the Dinosaurs.

BBC 2

6.40-7.55 am Open University.
10.30-10.55 Play School.
5.10 Bartholomew Fair.
†5.35 Laurel and Hardy in "The Music Box."
6.05 Yesterday's Witness in America.
6.55 Six Fifty-five Special.
7.25 News Summary.
7.30 The Promised Land?
8.20 Bird Spot.
8.30 Rock Hudson in "Send Me No Flowers."
10.05 The Associates.
10.30 Hitchcock.
11.00-11.50 Newsnight.

LONDON

9.30 am Between the Tides. 9.45 Animated Classics. 10.30 History of the Grand Prix. 11.00 A Big Country. 11.30 Paint Along With Nancy. 12.00 Gideon. 12.10 pm Get Up and Go! 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News with Jane Corbin. 1.30 Emmerdale Farm. 2.00 Here Today. 2.45 Women of Courage. 3.45 In Loving Memory. 4.15 Dr Snuggles. 4.20 Voyage to the Bottom of the Sea. 5.15 Survival.

5.45 News.
6.00 Thames News with Colin Baker and Rita Carter.
6.30 Dangermouse.
6.45 Robin's Nest.
7.15 The Paul Squire Show.
7.45 Death of Ocean View Park.
9.30 TV Eye.
10.00 News.
10.30 Thriller: Peter Vaughan, Dennis Waterman, and Sinead Cusack in "The Eyes Have It."
11.55 What the Papers Say.
12.15 am Close: Sit Up and Listen with Dame Cicely Saunders.

† Indicates programme in black and white

All IBA Regions as London except at the following times:—

ANGLIA

9.30 am Sesame Street. 10.30 Cities. 11.25 Country People. 11.50 Wattoo, Wattoo. 1.20 pm Anglia News. 4.20 The Adventures of Black Beauty. 4.45 Father Murphy. 6.00 About Anglia. 6.35 Arena. 6.50 Crossroads. 10.30 International Target Bowls. 11.30 Lou Grant. 12.30 am People and Their Poetry.

BORDER

9.30 am European Folk Tales. 9.40 A Place To Live. 9.55 Joe 90. 10.20 Young Ramsay. 11.05 3-2-1 Contact. 11.30 The Extraordinary People Show. 1.20 pm Border News. 4.20 Sport Billy. 4.45 Here's Boomer. 5.15 University Challenge. 6.00 Lookaround Thursday. 6.35 The Sound of . . . Vizzion. 6.50 Crossroads. 10.30 Target Bowls. 11.30 Border News Summary.

CENTRAL

9.45 am Make Mine Music. 10.10 Bygones. 10.35 Zoom the Dolphin. 11.00 Survival Special. 12.30 pm The Young Doctors. 1.20 Central News. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Crossroads. 6.25 Central News. 10.30 Venture. 11.00 Central News. 11.05 Skin Deep.

GRAMPIAN

9.40 am First Thing. 9.45 Sesame Street. 10.45 Al Oeming Man of the North. 11.05 The Nature of Things. 1.20 pm North News. 4.20 Little House on the Prairie. 5.15 Survival. 6.00 Summer at Six. 6.30 Police News. 6.35 Sounds of . . . Stan Baker. 6.50 Crossroads. 10.30 Skin Deep. 11.30 Nero Wolfe. 12.30 am North Headlines.

GRANADA

9.30 am European Folk Tales. 9.40 A Place To Live. 9.55 Joe 90. 10.20 Young Ramsay. 11.00 3-2-1 Contact. 11.30 Extraordinary People Show. 1.20 pm Granada Reports. 4.20 Vicky the Viking. 4.45 Little House on the Prairie. 5.00 This is Your Right. 5.05 Crossroads. 6.30 Granada Reports. 10.30 Hill Street Blues. 11.30 What the Papers Say, presented by Anna Robinson of the Daily Mirror. 11.45 Lifeline.

HTV

9.50 am 3-2-1 Contact. 10.20 Larry the Lamb in Toytown, followed by Magilla Gorilla. 10.45 Wild, Wild World of Animals. 11.10 Target Bowls. 1.20 pm HTV News. 5.05 Jobline. 5.15 Benson. 6.00 HTV News. 6.50 Crossroads. 10.28 HTV News. 10.30 Scene '82. 11.15 Nero Wolfe. 12.15 am What the Papers Say.

HTV Cymru/Wales—As HTV West except: 12.00-12.10 pm Annest. 4.15 Cartoon. 4.20 Storybook International. 4.45-5.15 Sêr. 6.00 Y Dydd. 6.25-6.50 Report Wales. 10.30 Breakthrough. 10.50 Impromptu. 11.35-12.05 am Mork and Mindy.

SCOTTISH

10.00 am In Search Of. 10.25 Crazy World of Sport. 10.50 Hands. 11.15 Young Ramsay. 1.20 pm Scottish News. 4.20 Here Comes Boomer. 4.45 Sport Billy. 5.15 Teatime Tales. 5.20 Crossroads. 6.00 Scotland Today. 6.30 Hear Here. 6.45 Benson. 10.30 Freedom Now. 11.00 About Gaelic—Crofting. 11.30 Late Call. 11.35 Barney Miller.

TSW

9.30 am Sesame Street. 10.30 Film: "Cry Of The Wild." 1.20 pm TSW News Headlines. 4.20 Father Murphy. 5.15 Gus Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South-West. 6.35 Gardens For All. 7.00 Cartoon Time. 10.32 TSW Late News. 10.34 Target Bowls. 11.30 Fisheries News. 11.35 The Monte Carlo Show. 12.30 am Postscript. 12.35 South-West Weather and Shipping Forecast.

TVS

9.30 am Alphabet: The Story of Writing. 10.00 The Communicators. 10.25 "Cry Of The Wild" (documentary). 11.50 Cartoon Time. 1.20 pm TVS News. 4.20 Little House on the Prairie. 5.15 Watch This Space. 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 6.50 Crossroads. 10.30 Quincy. 11.30 Facing Death. 12.00 Company.

TYNE TEES

9.20 am The Good Word. 9.25 North-East News. 9.30 Alphabet: The Story of Writing. 9.55 Cartoon Time. 10.00 Bill Burrud Films. 11.10 Sounds of . . . Ricki Lee. 11.25 Beachcombers. 11.50 Larry the Lamb. 1.20 pm North-East News and Lookaround. 4.20 Clapperboard. 4.50 Voyage to the Bottom of the Sea. 6.00 North-East News. 6.02 Crossroads. 6.25 Northern Life. 10.30 North-East News. 10.32 Skin Deep. 11.30 Check It Out. 12.00 Job Slot Extra. 12.02 am Learning From Others.

YORKSHIRE

9.30 am Sesame Street. 10.30 "Cry Of The Wild" (documentary). 11.55 Captain Nemo. 1.20 pm Calendar News. 4.20 Sport Billy. 4.45 Father Murphy. 6.00 Calendar (Emley Moor and Belmont editions). 6.20 Calendar Calling. 6.50 Crossroads. 10.30 Skin Deep. 11.30 Facing Death.

RADIO

(S) Stereo broadcast (when broadcast on VHF)

RADIO 1

5.00 am As Radio 2. 7.00 Steve Wright. 9.00 Simon Bates. 11.00 Mike Read. 12.30 pm Newsbeat. 12.45 Dave Lee Travis. 2.00 Paul Burnett. 4.30 Peter Powell. 7.00 Peel's Pleasures. 9.00 David Jensen. 10.00-12.00 John Peel (S).

RADIO 2

5.00 am Ray Moore (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News, sport. 6.00 John Dunn (S). 8.00 Country Club (S). 9.00 Alan Dell with Big Band Sound (S), and at 9.55 Sports Desk. 10.00 Here's a How Dee Doo! 10.30 Star Sound Extra, including 11.02 Sports Desk. 11.05 Gillian Reynolds presents Round Midnight (stereo from midnight). 1.00 am Encore (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Smetana (S). 10.00 The Last Two Mozart String Quintets (S). 10.45 Violin and Piano recital (S). 11.20 Bournemouth Symphony Orchestra (S). 1.00 pm News. 1.05 Manchester Summer Recital (S). 2.00 "The Devil and Kate," opera in three acts by Dvorak (sung in Czech) (S). 4.20 Rawsthorne: Piano Concerto No. 2 (S). 4.55 News. 5.00 Mainly For Pleasure (S). 6.30 Bandstand (S). 7.00 Let the Peoples Sing (S). 7.30 Proms '82 from the Royal Albert Hall, London: Monteverdi (S). 9.15 The Story of My Heart. 10.00 Hugh Wood string quartet recital (S). 10.25 Words. 10.30 Approaches to the East (S). 11.15-11.18 News.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 8.33 Yesterday in Parliament. 8.57 Weather, travel. 9.00 News. 9.05 Checkpoint. 9.30 The Living World. 10.00 News. 10.02 European Journey. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.03 Utopia (S). 11.48 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Brain of Britain 1982 (S). 12.55 Weather, travel, programme news. 1.00 The World at One. 1.35 A Party Political Broadcast by the Labour Party. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 News. 4.02 The Poles—What Kind of Revolutionaries? 4.10 A Good Read. 4.40 Story Time. 5.00 PM: News magazine. 5.50 Shipping Forecast. 5.55 Weather, programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.54 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Concert Prelude (S). 7.30 Proms '82 from the Royal Albert Hall, London: Monteverdi (S) (also on Radio 3). 9.15 Letter From the Far West: Michael Viney from the coastlands of County Mayo. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

FINANCIAL TIMES SURVEY
Thursday, July 22 1982

Italy's wealthy north has entered a difficult period as the social and industrial realities of the 1980s take hold. But the smaller regional centres are thriving.

NORTHERN ITALY

Chiesa in the mountains of Lombardy

CONTENTS

Milan Fair: a year-round success	II
Verona: fair city of industry	II
Alto Adige: tensions of Italy's Tirol	III
Turin: facing the hard times	IV
Italian Lakes: classic scenery of Europe	IV
Emilia Romagna: the modern province	V
Liguria: prosperity among the resorts	V

Editorial production: Michael Strutt
Layout: Phil Hunt

Optimism in a time of change

BY RUPERT CORNWELL Rome Correspondent

DOES ITALY now have not only a southern problem, but a northern one as well? The question might seem facetious, given the vast disparities between the depressed Mezzogiorno, with its disparate collection of cultural, historical and economic handicaps, and the wealthy and successful north—the bridge between Italy and the mainstream of Western Europe.

But there too, under the pressure created by changing social and industrial realities, old certainties are beginning to waver. The confidence broadly remains that northern Italy will meet the challenges of the last two decades of the 20th century as it has met others in the past, but a period of transition has begun which may well prove not only stimulating, but also uncomfortable.

Geography provided the north with evident frontiers. Along its topmost edge runs the circle of the Alps. On its southern side it is bounded by the Apennines, slanting southeastwards beneath the fertile plain of the Po. In between lie the eight regions which are conventionally grouped together to form the north.

Five of them—*Piedmont*, Lombardy, Liguria, Emilia Romagna and the Veneto—are "ordinary" regions, while three—Valle D'Aosta, Trentino Alto Adige and Friuli-Venezia Giulia—have a *special*, *more* autonomous *status*, reflecting the *significant* ethnic and linguistic minorities they contain.

Ever since the emergence of a *unified Italian state* more than 120 years ago, the north has been the most industrialised, the most export-orientated, and also the most agriculturally developed part of the country. *Most of the things* which for better or worse have shaped modern Italy have started there, beginning of course with Italy's movement for unity itself.

Industry developed there, as later did Fascism. The big cities and factories of the north were the magnet for the Biblical migration from the south after the 1939-45 war, and later became the laboratories in which terrorism mounted its futile attempt to overthrow the state. Italian fashion and design—never more appreciated than today—thrive there. So, as the World Cup result shows, do its best football clubs.

Superficially, the statistics tell much the same reassuring story. The eight regions cover 43 per cent of Italy's land mass. They contain, according to the 1981 census, 45.5 per cent of its population. Average family income (and expenditure) are up *to double that of the south*, unemployment is well below the national average of 11 per cent. More than 53 per cent of Italy's productive units are to be found in the north, generating 57 per cent of the country's industrial jobs.

But those are not the reasons why the census makes such fascinating reading. To a careful reader other trends emerge, pointing in all probability to the future pattern of Italy's development. And they are rather *less* reassuring for the north—or at least for the old image of the north, founded above all on the cliche of the "industrial triangle," its apices in the three traditional manufacturing and commercial cities of the region: Turin, Milan, and Genoa.

In the first place, despite a continuing though much-reduced flow of migrants northwards, the south is experiencing a faster rate of population growth, suggesting that the so-called "southernisation" of Italy may be more than just a matter of words. *Second*, the census returns indicate a movement away from the big cities, back to the provinces. In many respects, the trend is healthy. Not only is the movement a *measure* of how the large urban centres have become too big to manage, but it also reflects a more subtle return to older Italian values—of the city state, that network of thriving (and jealous) local communities, which provided the loam for the astonishing achievements of mediæval Italy.

This new provincialism, or "localism" as some Italian sociologists prefer to call it, is mirrored in the changing structure of the northern economy. The old centres are in trouble, as a glance no further than Turin and the battered fortunes of Fiat, Italy's largest private sector employer, reveals. In Milan, the number of industrial jobs has dropped from 400,000 to 281,000 over the past decade.

The reverse side of the coin, though, is the astonishing progress made by a host of smaller regional and provincial centres. Many of them, with populations ranging from 50,000 to no more than a quarter of a million, embody what is best in the term "*provincialism*." *Cities* such as Mantua, Cremona, Piacenza, Modena, Como, Verona, Vicenza, and Padua, to name but a handful, are still cut to the cloth of man: happy blends between town and country, between industry and agriculture. To escape from them is easy—either to rural calm, or to a metropolis like Milan for those who want big-city glitter and sophistication.

Below them come a further host of even smaller centres, some of which have developed extraordinary industrial monocultures: the knitwear manufacturers at Carpi, near Modena; the jewellers of Valenza Po, in Piedmont; the shoe-makers of Vigevano, close to Milan; and the town of Castel Goffredo, near Mantua, where 400 companies employing an average of 20 or fewer workers, produce enough women's tights to account for a fifth of the entire European market.

These successes, even if lately tarnished by a recession that has hit export markets harder than it has the domestic Italian economy, rests on an uncanny ability to combine the advantages of the small, efficient and informal productive unit with a capacity for technological innovation. As these companies are well aware, Italy now no longer has the edge of cheap labour costs — despite the alleged practices of the famous "black" or submerged economy, accounting for anything up to 30 per cent of Italy's gross Domestic Product.

Many now consider that northern Italy should be divided into two: the hard-hit older centres, coping with the structural problems of "mature" industries such as steel, cars and so on, and the newer "third" Italy, best found in *Emilia Romagna*, the *Veneto*, and outlying parts of Piedmont and Lombardy, where industrialisation has arrived late enough to avoid the problems inherited from the past. It has been this second category above all which has generated the wealth and jobs to keep the national economy afloat in the last difficult decade.

The work ethic transcends *conventional political differences*. Northern Italy is not a single whole, but an agglomeration of regions, each with its own political character. In the two largest, Piedmont and Lombardy, the Christian Democrats beat the Communist party—the PCI—into second place at the 1980 regional elections. In Liguria, the PCI remains the largest single party, while in Emilia Romagna, heart of the so-called "Red belt," the Communists in 1980 came within a whisker of an outright majority.

Yet, separated from Emilia by nothing more substantial than the mists of the Po river, lies the Veneto, stronghold of the Christian Democrats, with 49.4 per cent of the total vote. History has left its mark, but when it comes to founding a small family company, Catholic or Communist makes little difference. Modena is not just the city where the Communists win their biggest national vote (over 53 per cent); it has also just joined Milan as Italy's wealthiest city, as measured by pro-capita income.

But for how long will a formula, frequently *said* to be a model for the Western economy of the 21st century, ensure success? The troubles of Turin and Genoa in particular are well documented, but now even the smaller centres, once seemingly immune from crisis, are suffering from declining orders. Workforces are being being cut in Regio Emilia, the province in the region of Emilia Romagna whih has long been a byword for dynamic small companies, 27 per cent of local employers are expecting either to lay off or pay off workers this year.

But the smaller centres in the recent past have proved their adaptability and there seems no good reason why, if existing products become harder to market, the entrepreneurs will not turn to alternative yet related ones. *An example* is the way in which alongside textile and shoemaking concerns have sprung up new ones, manufacturing the machinery and the machine tools to make the textiles and the shoes. Hence, in part, the remarkable development in the last two decades of the Italian machine tool industry, centred on small, highly specialised companies.

For the bigger cities however, attention is increasingly switching to the development of a high-technology service sector, an area in which Italy has comparatively lagged behind rival industrial countries, but one which looks the most promising source of new jobs.

The concept has been behind the initiative by Milan and Turin, now joined by Genoa, to improve collaboration between them. The project has the unhappy acronym of MI-TO (mito is the Italian word for myth), but it is little more than plain common sense. Instead of wastefull duplication and rivalry, the two (or three) biggest cities of northern Italy intend to rationalise their structures.

The *ideas* being canvassed involve improved communications, a pooling of cultural resources, and the promotion of one good airport to serve them, to replace the three inadequate ones they now possess. *Turin should* concentrate on high technology, Milan on financial services. No one wants to create a megalopolis—merely two advanced cities only 80 miles apart working for similar, rather than opposite ends.

Yet the controversy already aroused by the scheme speaks volumes about the jealousies endemic not just between north and south, but between "old" north and "new" north. The regional authorities, and many smaller centres of the north, see the venture as an attempt to "recentralise" against the trend. The south suspects *Mi-To is just another* bid by *the* north, which already has more than its share of the national cake, to appropriate still more of it. Now Rome and Naples are talking about a similar *scheme*.

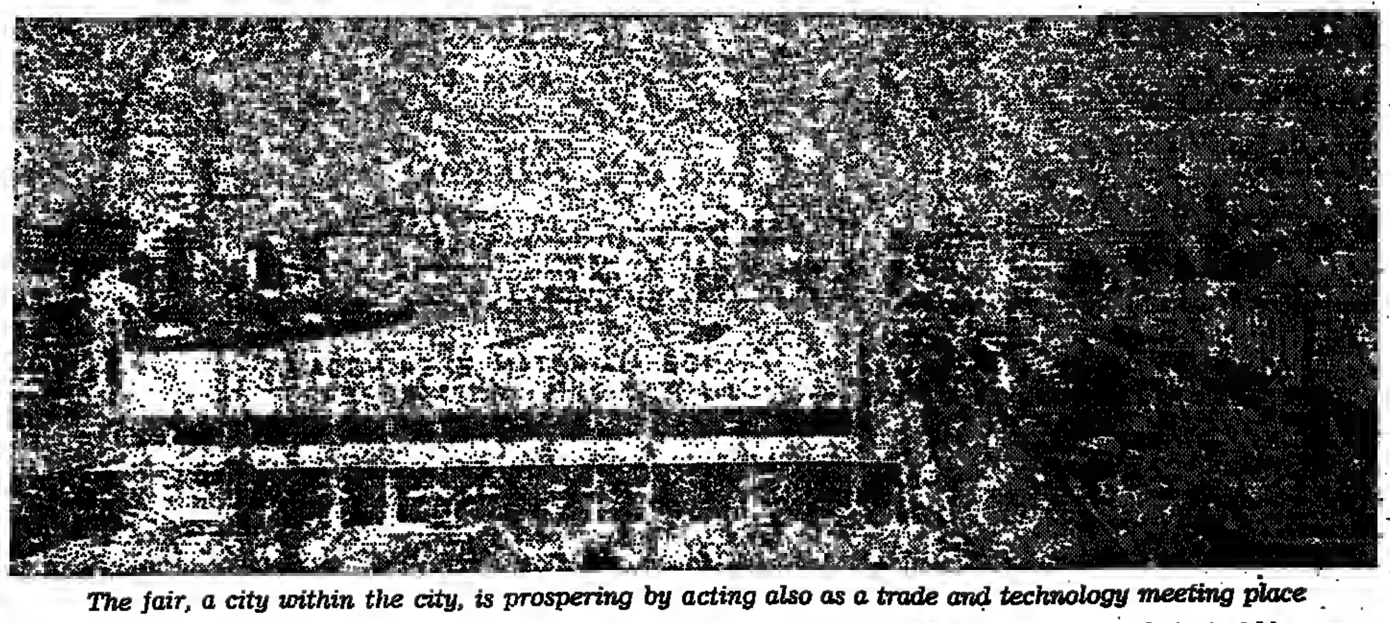
It may well be therefore than *Mi-To* formally meets that familiar fate of a good idea in Italy, of being simply talked to death. But even outside an organised framework, changes along the lines it moots will certainly come. For the abiding lesson of northern Italy (and indeed all Italy for that matter) is that *necessitas lex suprema est*), or in other words, look after yourself, for the state certainly will not.

NORTHERN ITALY II

MILAN FAIR

Successful formula for promoting trade

Milan's year-round series of trade fairs are a thriving showcase for the country's industrial companies, says James Buxton, who also writes here on Verona.



The fair, a city within the city, is prospering by acting also as a trade and technology meeting place

MILAN, ITALY'S main commercial and financial centre, is best known for three things: its magnificent Gothic cathedral, La Scala opera house, and that collossal year-round institution known as the Milan Fair. And, however much it may be taken for granted in the city itself, it is probably the fair which most reflects the spirit of the place.

Milan's trade fair is among the biggest in Europe, alongside those at Paris and Hanover. It is a city within the city, situated just north-west of the historic centre of Milan, and the many events held there attract millions of visitors every year.

The fair's pavilions offer more than 600,000 square metres of display space. Although the original "general fair" lasts for only 10 days every April, the proliferation of smaller specialist exhibitions—more than 70 during 1982—means that something is taking place for up to 350 days out of 365.

It might be argued that industrial fairs have become an anachronism in an age of jet travel, instant communications and data banks which can flash details of a product around the world. Indeed, Mr Michele Guido Franci, president of the Milan Fair, has warned that the days of the traditional fair, containing little but samples of an industry's wares, are numbered. If the Milan Fair continues to be a profitable thriving venture, then that in good measure reflects the huge changes it has undergone during its 60 or moro years of life.

The Milan Fair was first launched by a group of enterprising Lombard businessmen after the 1914-18 war. It was a temporary wooden encampment by the old city walls at the Porta Venezia with just 15,000 square metres of display space. Six years later it shifted to its present site, a former military parade ground, and since then it has expanded steadily.

The number of exhibitors in 1920, when the idea of a fair to link Lombardy, Italy's richest and most populous region, with other European markets was born, was 1,200 or so. In the year to April 1982 the total was almost 45,000, about 70 per cent Italian and 30 per cent foreign, drawn from 86 countries.

The range of exhibitions has developed over the years from traditional areas such as machine tools, furniture and electronics, to fashion, films, tourism and cosmetics as well as such thoroughly 20th century concerns as anti-pollution equipment and information technology. It is a change, however, which mirrors the emergence of Lombardy and northern Italy in general, in these and other fields.

The eminently Italian aspect of the fair is that almost three quarters of the exhibitors are small, often artisanal companies — the backbone of the national economy and perhaps the prime reason for the country's astonishing economic resilience.

The specialist fairs are enhanced by an expanding range of auxiliary services: data banks, meeting halls tailored to congresses of every size and, lately, the presence of permanent trade delegations from a host of customer countries. Palazzo Africa, a centre in the fair complex which opened in 1972, is now the home of offices from 21 African nations.

That the institution has survived and prospered probably is largely the achievement of Dr Franci, who since 1947, has been first its secretary-general and then president. In his own words "an organiser and not an economist," his enthusiasm and fascination with things new have if anything grown with his 78 years. Born in Rome in 1904, he spent a decade as an official at the Tripoli Fair (Libya was then an Italian colony) before the 1939-45 war. In its aftermath, he took charge of the rebuilding of the bomb-devastated fair complex.

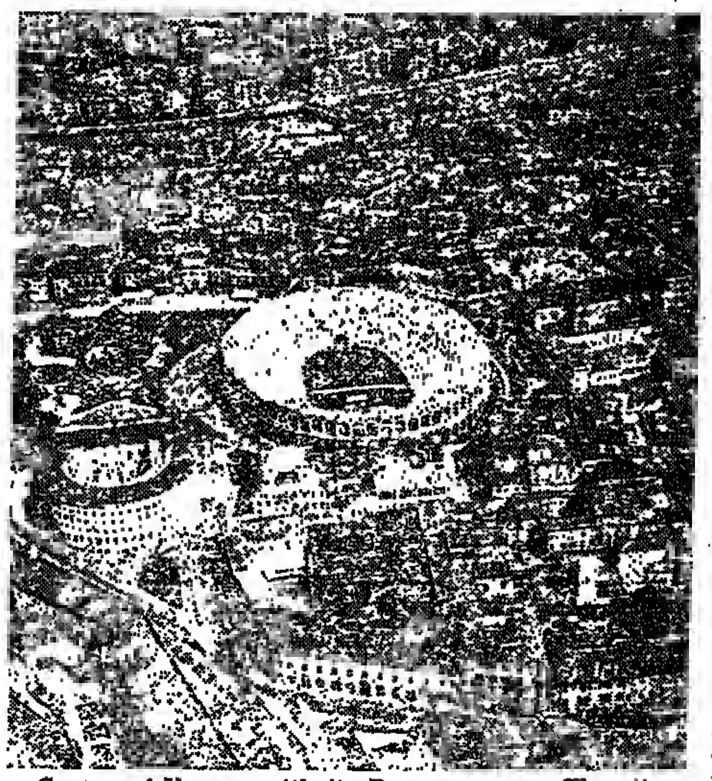
It was his idea to instal an international business and meeting centre (CISI) at the fair, and the centre's computer is claimed to provide the largest service of its kind in the world available to businessmen. And in a typical gesture, Dr Franci decided to mark a 1980 conference at the fair on alternative energy by restructuring the CISI building. This now incorporates a new facade which employs solar energy to provide heating and power within the centre.

"We're not just a display centre renting service," says Dr Franci—even though such income provided the bulk of the fair's L46bn ($32.9m) revenues in 1980-81, when it achieved a L522m surplus (after making L3bn of investments). Rather, he sees the institution as a meeting place, offering services unrivalled elsewhere, promoting not just physical trade but the cross-fertilisation of ideas and technology which generate the products themselves. The formula may sound lofty and abstract, but it has worked.

VERONA

City which hardly notices the recession

Verona's present prosperity has been created by its many light industries, which have taken over from agriculture as the main income-earner.



Centre of Verona with its Roman arena. The city is at a crossroads on the autostrada and railway systems

VERONA, THE CITY of Romeo and Juliet, is now a good example of the new Italian industrial city—clean, almost unpolluted, hardly noticing the recession, with iodustry coocentrated almost entirely in small or even microscopic concerns, most of them heavily oriented towards exports.

The old city of Verona stands oo a peninsula made by a sharp meander lo the River Adige, surrouoded by low hills across the river. Here the streets are narrow but mostly elegant and straight, the buildings of red Verona marble. In the Piazza Delle Erbe, still a fruit and vegetable market, the lions of St Mark on pedestals show that this was for a time a city ruled from Venice. Now, as part of the Veoeto region, to some extent it still is.

Further on, past a Roman arch, through wbich inexplicably buses still roar and chip the stooe away, is the great expaose of the Piazza Bra, its main facade a little like that along a Venice canal. It faces the Great Areoa, the Romao amphitheatre where this month the city's famed operatic festival under the opeo sky began with a performance of Aida.

Now, however, the city stretches far beyond the ramparts, its more than 270,000 inhabitants making it the second city in the Veneto after Venice, and several neighbouring towns have become its satellites.

Part of the reason for Verooa's prosperity, now as in the past, is its position: at the end of the Trentino, where the River Adige, descending from the Alps, reaches the Lombardy Plain, bringing with it the maio road from the Brenoer Pass, Austria and Germany.

Verona is exactly halfway between Milan and Venice and whereas it once was a strategic crossing of the Adige for German emperors plundering or retreating from Italy, so now it is a crossroads on the autostrada and railway systems, and the first stopping point for German tourists and lorries coming into Italy.

For the Austrians Verona in the 19th century was part of the "quadrilateral" — the stronghold of four cities, including Mantua, which guarded the Veoeto. As Verooa was a garrison city, the Austrians prohibited the building of tall chimneys—which would have made good targets for enemy artillery—aod thus preveoted the development of heavy industry in Verona.

Tois remains the case to this day: the biggest single employer is Mondadori, which prints its books and other publications there and employs 3,700 people, and others include Glaxo, the British pharmaceutical concern, which has now been at Verona for exactly 50 years.

For a long time Verona was mainly an agricultural centre, benefiting from the combination of extremely fertile soil, suo and abundant water at the foot of the pre-Alps. Up to 1950 half the income of the province of Verona came from agriculture: now the proportioo is down to 13.5 per cent.

Apart from being the scene of Italy's agricultural show each year, it is a very promineot producer of wines, especially those which are exported, of which Valpolicella and Soave are but two of the most important. A quarter of the Denominazione Origine Cootrollata wines (Italy's equivalent of the Appellatioo Cootrollee in France) come from Verona.

In addition, fruit, iocluding apples, cherries, peaches aod strawberries, do well and the area is also important as a producer of meat, turkeys and other poultry. Part of the farmers' success is due to the fact that they have formed highly-efficieot cooperatives for marketing.

Light engineering and manufacturing is probably Verona's most important single industrial activity io terms of employmeot, and one that is still going reasonably well despite the recession. The most important export sector aod in some ways the most typical Veronese industry today is footwear. This is a field in which Italian industry cootinues to succeed while most other industrial countries have given up.

Verona has a few large shoe manufacturers, employing up to 750 people each, but most of the industry is in the hands of very small concerns, often just individual families, with their childreo working at home. These small concerns may work for the larger ones, producing semi-finished shoes to be completed in the factory, but many of them actually work on their own account to their own designs and export directly to foreign markets, mainly in West Germany (Verona accounts for 60 per cent of all Italian shoe exports).

"It may seem absurd," said one Veronese businessman, "but the little compaoies can decide what shoes to make. Every January the shoe buyers and producers reot rooms in the empty summer resort hotels around Lake Garda (which is oearby). They meet—along 50-60 km of lakeside—and decide between them what shoes to make, sign the contracts and get oo with doing it."

However, the shoe industry had a shock two years ago with the iovasioo of the European and North American markets by Far Eastero producers. After an initial period of alarm, the Veronese found that their customers were often dissatisfield with the new suppliers on grouods of quality and reliability of delivery. So the Italians deftly moved upmarket to coocentrate oo higher-quality shoes, leaving the cheap sports shoes and slippers to the newcomers.

The Verona marble working industry is the second biggest export sector in the area (up to 98 per ceot is exported) but it is doing less well because of a sharp downturn in the West German building industry, its main customer. Marble working is capital-iotensive and under the pressure of very high interest rates it is more difficult to squeeze costs than in the labour-intensive textile and shoe businesses.

Even so, the marble business remains a success story: though Verona marble itself is no longer economic to produce from the nearly exhausted seams, Verona has kept its grip on marble manufacturing, using stone from other parts of Italy, Yugoslavia, even Brazil. Marble-working machinery has been perfected to such a high art that Verona companies export it to marble industries all over the world.

The textile and clothing industries are also reasonably prosperous, responding to foreign competition by improving their marketing and enjoying the latest flowering in Italian clothes design. For the lower end of the clothing market Verona is the headquarters of what claims to be the largest jeans manufacturer in Italy, Carrera, which belongs to the Tacchella family.

The three Tacchella Brothers who run it are sons of a village tailor. Now they cootrol more than a dozen factories outside Verona and elsewhere in northern Italy, employing about 2,000 people. The jeans, jackets and shirts they produce are exported all over Europe and Carrera claims to have about 15 per cent of the Italian jeans market.

Appropriately, Sig Tito Tacchella, one of the three brothers, was until recently head of the small and medium-sized industrialists' association in Verona. He says: "The way things developed here (from the mid-1950s onwards) was often with people leaving the bigger organisations, getting a small loan to buy a machine or two (whether in marble or shoes or textiles) and setting up on their own.

Much of Verona'a industry and commerce is part of the submerged economy: many small businesses which escape the more restrictive labour legislation, are able to skirt at least some of the obligations of VAT and income tax, and are flexible enough to raise or lower production swiftly in response to demand.

In Verona as elsewhere the growth of the cottage industry partly reflects the fact that in many cases these are first-generation industrial workers, changing from farming where work was always hard and all the family had to join in. So they do not blink at the long, tedious hours and often noisy and unpleasant working conditions in shoes, textiles, engineering or stone cutting.

Sig. Tacchella vigorously defends the submerged economy: "What it means is that the largest possible number of people can participate in the economic process. The trade unions want to regulate everything but all it means is that we open up our markets to Far Eastern competitor countries which don't have our regulations. The success of the small firms in Verona is due to hard work, high productivity, and low spending on consumption," he says.

A broader view comes from Sig. Carlo Delaini, a former mayor of Verona and now responsible for tourism in the regional government in Venice: "The real strength of Verona is its diversity—its economy is not concentrated on any one sector," he says.

He also attributes its steady growth in the past two decades to the uninterrupted dominance of the province of Verona by one party—his own Christian Democrats, for the Veneto is the Christian Democrat heartland of the north.

But the party must in that case bear responsibility for the scruffy ribbon development along the roads between the towns and villages around Verona (and in the rest of the Veneto for that matter) it is a sign of prosperity but also of disorder and lack of care for the environment.

But, thanks to an initiative with which Sig Delaini was involved from an early stage, Verona is to rationalise its role as a place for transport interchange. A vast new area is under construction to the south of the city which will have a new railway goods yard, customs, warehousing and a site for the rapid transfer of freight between road, rail and air.

The complex, called Quadrante Europa, is being financed by a consortium of municipality, province, region and chamber of commerce, and when finished will also have hotels and restaurants.

ALTO ADIGE

An uneasy relationship with Rome

Italy's Tirol is almost a different country, more German than Italian, and there is continuing latent tension between the two language groups. James Buxton reports.

THE NIGHT TRAIN from Rome to Bolzano takes you from ona part of Europe to another. You leave the light-bearted chaos of a hot Italian night at the railway station in the capital, and when you wake up are between steep green mountaina in a fresh Alpine valley which narrows sharply as you reach Bolzano.

Though Bolzano itself is now predominantly Italian-speaking, the main square nomed after the medieval German poet Walther von der Vogelweide, the humpbacked Lorenzerkirche, and a heavy breakfast of ham, cheesa ond sausage demonstrate that you are almost in a different country — the South Tirol, where the majnrity speak German: In Italian it is officially called the Alto Adige, after its main river.

Out of Bolzano, up the road to the pretty former Austrian spa town of Merano and nn along the Passirier Valley towards the Austrian border, things become progressively more German. The place names are given first in Italian then in German (Bolzano is Bozen and Merann Meran) bnt the translations become increasingly artificial: the German Siebeneiche (Seven Oaks) becomes the literal Settequercie.

Red and whita Tyrolean-banners stream in the hreeze from high-walled, still-inhabited castles perched on rocks. There are Tyrolean brass bands, the ployers all in Tyrolean hats and lederhosen, and you pass the bouse of Andreas Hofer, the most famous Tyrolean who fougbt against Napoleon and the Bovarians for the region's independence. Even if you go over the 8,000-ft Timmelsjoch Pass and down into the Oetztal in Austria you hardly notice any difference.

The Timmelsjoch is one of those high and remote crossings in the central ridge of the Alps, just as the Brenner, some way tn the east, is a much lower and more popular one. But both demonstrate that this is the strategic frontier of Italy and it was for that reason that Mazzini and nther Italian nationalists insisted in tha 19th century that the South Tirol, then part nf Austria, should become part of Italy.

Tha region was finally ceded to Italy after the 1914-18 World War after the American President Woodrow Wilson made an exception to his own principle of maintaining linguistic borders for European ethnic groups in favour of a secure border for the young Italian state.

But the troubled history of the South Tirol in this century really began with the start of the Fascist period in 1922. Under Mussolini, rich agricultural land was taken from German speakers for heavy industry, which encouraged Italians from the overcrowded cities of Venice, Padua, Naples and elsewbere tn come to the area to wnrk. The teaching of the German language was hanned bnt continued secretly.

After the 1939-45 World War and further repressions, the majnr powers in 1946 obliged Alci de Jaspari, the Italian Prime Minister, to sign an agreement with Dr Karl Gruber, the Foreign Minister of Austria, in Paris. Italy agreed to give the South Tirol local autonomy as well as special measures to protect the German language. The South Tirol thus hecame an international affair, and hecause of this the German speakers are now probably the best-protected linguistic minority in Europe.

But initially the autonomous region Italy set up contained both the province of Bolzano (with its German majority) and the predominantly Italian province of Trentino to the sonth, making an Italian majority for the wbole region. As other provisions of the treaty were not fulfilled, tensions began to rise and in 1956 Austria formally protested to Italy that the Paris Treaty had not been implemented correctly.

There followed 16 years of agitation, UN debates, a little terrorism and endless discussions in Rome, until in 1972 a new statute of autonomy and a package of measures in favour of the German speakers was passed. The province nf Bolzano-Alto Adige obtained autonomous status on its nwn; it was to be given new powers for control of economic development; and the principle of proportionality between tha language groups was established for jobs in the public administration and the handing ont of public funds.

Proportionality is now to be applied according to the latest (1981) census, which shewed that 66 per cent of the 430,000 inhabitants of the Alto Adige are German-speaking, 29 per cent Italian-speaking and 4 per cent speak Ladino — a Romance language close to Latin. That census showed that the Italian population had fallen, from 36 per cent of the total in 1971, mainly as a result of emigration.

The South Tirol has been transformed in the past decade, with the German speakers becoming in almost every sense mosters in their own house. The political changes bave been important, as the provisions of the package bave progressively been implemented, and nnw the Sudtiroler Volkspartei (SVP) with about 60 per cent of the vote dominates a coalition with some Italian parties in the provincial government.

But the economic transformation has heen, if anything, even more profound. At the end nf the 1939-45 World War the Italian speakers were in a commanding economic position. They ran and worked in the heevy industry, and contrnlled the civil service. The German populotion was only thinly represented in the two big towns Bolzano and Merano, and most German speakers were farmers, usually tending high mountain pastures in the way they had for centuries—their bergbaurernkultur (mountain peasant culture).

But pressure on land forced the younger generations nf German speakers to look for jnbs elsewhere. From the 1960s onwards little industrial concerns hegan to spring up along the valleys, helped by the promotinnal effnrts of the then leader of the local industrialists, Herr Christnph Amonn, and hy assisted loans from central Government. Much of the industry was craft-orientated or related to the growing tourist industry.

Industry is still responsible for only about 30 per cent nf value-added in the province, and with the control nf heavy industry in Italian hands, the non-Italian share is only about 10 per cent. But the small concerns are doing hetter than the big ones, as they are througbout Italy: and in the Alto Adige they are mainly in the hands of the German-speakers.

The strongest sectors in the South Tirol economy are tourism, wine and fruit, and it is the province's fortune thot all these benefit from strong West German demand. About 70 per cent of the tourists are West Germans: for Germans the South Tirol in the summer is the cheapest and sunniest part of tbe Alps. In winter there is skiing.

But the South Tirol is feeling the recession now. Returns on tourism have been cut hy fewer arrivals and the fact that lira devaluations against the Deutschemark have not kept pace with Italy's inflation. The low interest rates that were available in the 1970s have now shot np as part of the credit squeeze affecting the whole country, and investment has slowed sharply. "There was a big temptation to over-invest," says Herr Amonn. "Now people are trying to realise assets rather than pay tha burden of interest cbarges on debt, and the result is that property values are collapsing and industrial concerns are looking for partners."

The downturn in the economy is not likely to do much to diminish the lotent tension hetween the twn main language groups. Tbe application of proportionality has caused resentment among the Italion speakers, especially in the public administration, previously their preserve. Few German speakers wanted to apply for the two-thirds of the posts made available to them in the first competitions, whila there were hundreds of applicants for the now sharply-reduced number of jobs available to Itallan speakers, though Prof. Roland Riz, vice-president of SVP, says more German speakers will apply next time.

Again, the allocation of state housing on proportional lines upsets the Italian speakers, wbo in general are now the poorer aection of the population.

Almost everything in the package has heen opplied. However, tbe province is currently at odds with Rome over the issue of civil courts: the central government wants oppeals in the first instance to be sent to Trento, capital of this almost powerless region, and the SVP wants higher appeals on cases concerning ethnic matters to be heard in Bolzano rather than Rome.

Naturally, the Italian speakers resent the loss of privileges. "They've now got nn nne to look down on," said one ohserver in Bolzano. Bnt both sides attribute any problem to race.

"You could look on tbe qnestion as a sociological rather than a social nne: the difference between o cohesive, hard-working group of rural dwellers (the German-speakers) and a poorer, diffuse group of urbon people, lacking leaders and not speaking one Italian dialect — unlike almost everywbere else in Italy."

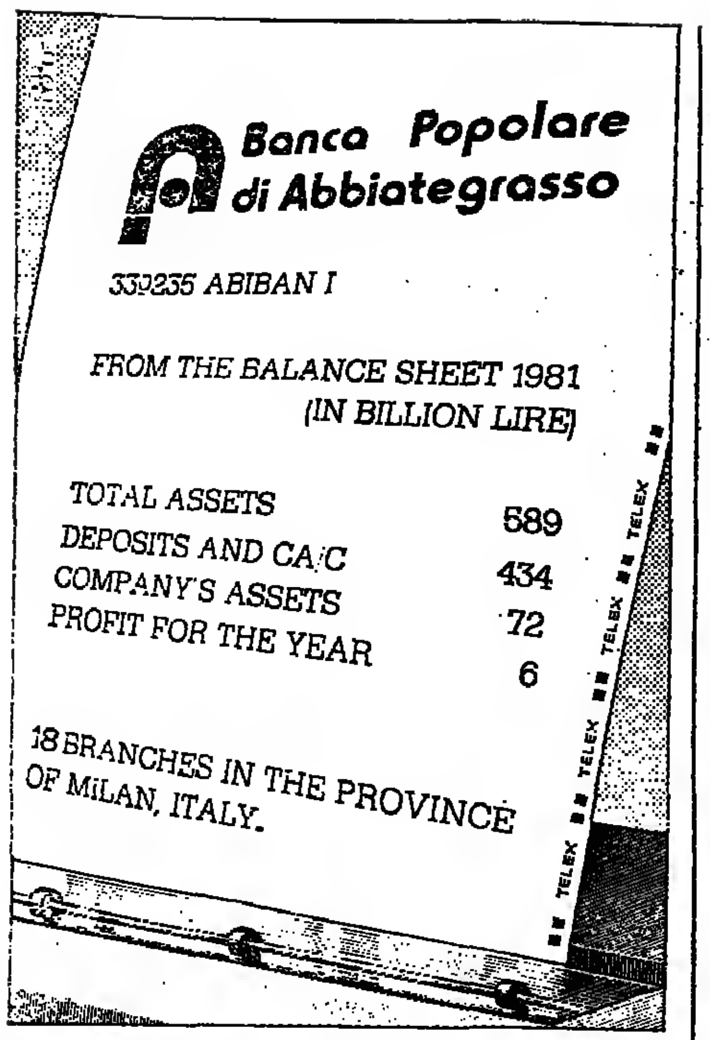
Yet as the Italian government has implemented the package, the German-speakers, far from hecoming more moderate, bave in some cases become extreme, Conscious of their strength, ond increasingly contemptunus nf the incompetent Italian state, some of them are nurturing o fierce and utopian German nationalism, dreaming even nf secession. For Dr Silvius Magnago, the veteran president of the provincial government and the SVP, secession is nonsense, and the extremism is secretly deplored hy the political leaders.

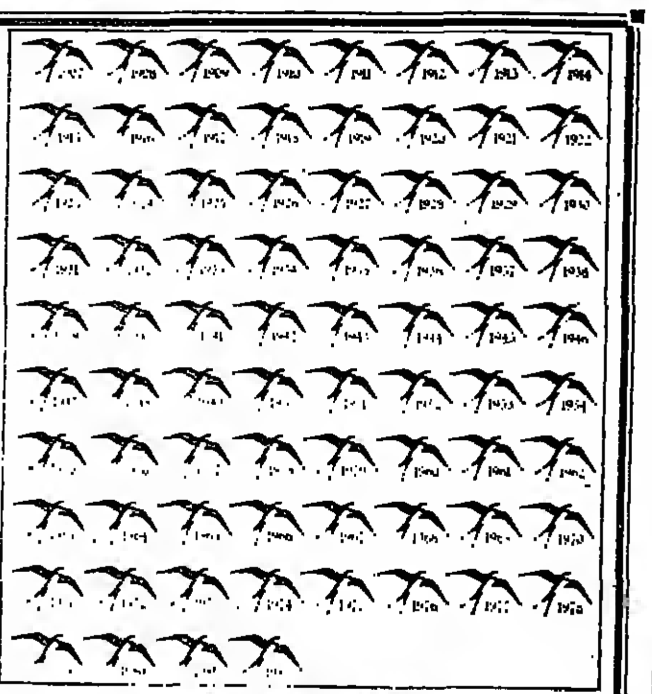
Bnt in the past three to four years there have been more and mnre marches with almost Nazi-style precision by the Schutzbunder (protection bands) of the Rigbt, and insistence upon the terms of tha pockage bos at times become pedantic. The extremists look to West Germany and the more Right-wing elements of Herr Franz Josef Strauss's Christian Sociolist Unlon — the Munich-based politicion frequently visits the South Tirol—and they increasingly ignore more moderate Austria, the official potron of their cause.

Dr Magnago, who hos led the South Tirol since 1960, is 68 and not in the hest of beolth. There is no obvious successor. His very success bas its drawbacks: "If Austria were some day to inform Italy thot the pockage bad now been fulfilled to its complete satisfaction, the SVP would be in real trouble," says one ohserver. The political outlook for the South Tirol may not he as sparkling as the light in its high passes.

Italian State Tourist Office

Right: the town of Merano and (above) winter snow in the ski resort of Canazei in the Val di Fassa, near Bolzano





The town of Torno on the eastern shore of Lake Como. Despite some modern ravages, Italy's lakes remain as beautiful as when they were written about by the poets

THE LAKES

Campaign to attract more tourists

Overcrowding and pollution threatens the classic beauty of the lakes, but more staying visitors would give the region new life, as Rupert Cornwell reports.

NATURE HAS endowed Italy magnificently—better, many a cynic has been tempted to add, than its inhabitants deserve. But Italy has few splendours to match the lakes hewn by glaciers across a swathe of its sub-alpine north, from Lago d'Orta in the west to Lake Garda in the east.

Inhabited for thousands of years, and increasingly victim to the twentieth century problems of overcrowding and pollution, the lakes are a quintessentially Italian blend of natural beauty and spectacular human occupation.

The poet Shelley wrote of Lake Como: "The union of culture and the untameable profusion and loveliness of nature is here so close that the line where they are divided can hardly be discovered." Today, despite the algae which in some places has turned the lakes from a crystalline blue to a murky brown-green, and the occasional piece of floating litter that observation remains broadly true.

Not the least striking aspect of the lakes—or at least the big ones—is how different they are. The huge expanses of the largest of them, Garda, beloved of the Roman poet Virgil among many others, contrast with the faded elegance of Lago Maggiore in the west, and above all of Stresa, its most famous resort. Stresa's atmosphere is akin to that of Biarritz in France—part of another age. The sensation is heightened when mist or heat haze surrounds the Borromeo Islands, and the baroque palace and terraced gardens of the Isola Bella take on an ethereal disembodiment.

Then there is Lago d'Iseo, the smallest of the "big four" Italian lakes—Lake Lugano is largely Swiss—on whose northern shores enthusiasts still pan for gold around the estuary of the River Oglio. Just to the west of Lago d'Iseo is Lake Como, shaped like an inverted Y. It appears the most wild and unwelcoming of the lakes, yet its narrow waters flanked by steep slopes covered in chestnut trees, are bordered by olives, cypresses and oleanders.

The Mediterranean microclimate created by the waters of the lake, helps to keep the winter temperature higher than on the plains to the south, while the mountains around are covered with snow. The visitors to each lake differ too: Garda has always been favoured by the Germans while the English, on the other hand, are still the most numerous visitors to Lake Como.

As well as this group of large lakes are a dozen medium-sized ones and more than 1,000 small Alpine lakes. Not only does Lombardy, Italy's richest and most powerful economic region, contain cities like Milan, Bergamo, and Brescia (as well as Como itself, the most important silk manufacturing centre in Europe), but also 1,000 sq km of lakes, equivalent to 4 per cent of its total area. The worries about pollution may thus be easily understood.

Broadly, the rule of thumb is that the larger the lake, the better its chances of coping with pollution. While several of the smaller lakes, such as those of Varese and Pusiano (near Como) are severely—perhaps irreparably—damaged, others have largely escaped the worst.

According to Prof Ettore Grimaldi, director of the Italian Hydrobiology Institute, Lake Garda is the best conserved, followed by Como and Maggiore. The main problem is "eutrophisation"—the process whereby nitrogen and phosphorus discharged into the water in both human and industrial waste provoke an abnormal growth of algae. This in turn dies and rots, releasing gases which destroy other aquatic life.

However, the remarkable thing is that the damage is not worse, given the difficulty in Italy of enforcing anti-pollution controls, and the scant long-term attention attracted by the problem. A law that would force companies to meet stricter cleanliness norms has been repeatedly postponed, while a government decree of 1977 giving wider powers to the regional authorities over lakes and rivers used for tourism has proved unsuccessful.

On some lakes, two-thirds or more of the shoreline is controlled by private interests. As so often in Italy, moreover, the profusion of administrative layers, stretching from central government down through regions, provinces and communes, has led to delays and bureaucratic confusion.

Even so, progress is being made. Lake Como, for instance, is still reasonably stocked with fish, and swimming is banned in only a few places. In an unusual venture, local authorities and private industry have joined forces to instal a water purification plant (called Comodepur) which already treats 80 per cent of the industrial effluent discharged into the most polluted part of the lake, the arm stretching down to Como itself. Within a few months the coverage should be 100 per cent.

Curbs on pollution however are but one aspect of the campaign to give new life to Italy's lake district, and so attract more tourists. For too long, officials agree, the area has lived on its laurels. Little has been done to change the traditional "elite" image of the lakes, to attract more residential visitors instead of the "transit" tourists. These are the holidaymakers who stop off for a few days by the lakes, en route for the sea, and the weekend migrants from Milan and other big cities.

Nobody wants to see the worst excesses of mass tourism brought to the lakes. But low occupancy rates of hotels, the comparative absence of younger tourists (at least in the fashionable resorts like Stresa) is causing growing concern. Many local authorities are aiming to attract congresses, and are planning much more vigorous promotion abroad. Others feel that restrictions on building (imposed with the laudable goal of preventing speculation that would have ruined lake landscapes) have now become to severe as to thwart even reasonable plans for development.

"In the past we've done too little," said an official in Como. "People didn't pay much attention to tourism when there were more than enough jobs in industry. But that's changing now, and the tourist sector is bound to be more and more important as a source of jobs. And that means we've got to go out and sell ourselves."

TURIN

Resilient centre coping with crisis

Turin is in the grip of change. Its contrasts make it one of Italy's most fascinating cities, says Rupert Cornwell.

FEW CITIES have as many faces as Turin. The ordered leafy boulevards of the centre, and the opulent streets lining the River Po are reminders of nothing so much as parts of Paris. Then there are the dignified palaces which testify to the five years between 1860 and 1864 when the city was the capital of a new Italian state.

Little more than a mile away begins the other Turin, the Turin of sprawling Fiat plants, and beyond them the expanses of bleak tower blocks where Fiat workers mostly live. Just across the Po you enter yet another world, of the "collina," the lush hillsides where top Fiat men, Juventus footballers and other city notables have their villas, commanding magnificent views across the smoke-stacks and the steeples of Italy's engineering capital to the white-capped Alps beyond.

The juxtaposition of these contrasting worlds makes Turin one of the country's — and perhaps Europe's — most fascinating cities. No one would claim it is among the most beautiful: many (including the non-Turinese forced to live there) argue that it is secretive, claustrophobic and provincial.

Not for nothing has Turin generated a rich literature. The late Giorgio Amendola, of the Italian Communist Party, described the city as a laboratory. And now, as before, what is happening in Turin today may be a foretaste of Italy tomorrow.

Turin and Piedmont were prime mov[illegible]s in the unification of Italy. Three decades later, in 1899, Fiat was founded, and in the city's industrial workshops forged the soul of the country's Communist Party, the PCI. Antonio Gramsci, the most creative thinker produced by the PCI, spent his most formative years there, before Mussolini threw him in prison.

More recently Turin saw the huge post-war immigration from south to the north, as the post-war miracle took place. Today more than half the city's 1.2m people are of southern origin. Turin, indeed, has been described as the third largest city of the Mezzogiorno after Palermo and Naples. In the second half of the 1970s it provided one of the most perfect examples of how the modern country's social shortcomings produced terrorism. Yet today, nowhere has terrorism been so thoroughly rooted out.

The huge Fiat works at Rivalta, one of the many faces of Turin

Then came the Fiat strike of October 1980, which marked the beginning of managements' counter-offensive against the unions. Today the city is in the grip of the crisis afflicting traditional industrial sectors such as cars and steel. How it copes will set the pattern for how other old-established industrial centres cope—and even may indicate whether Italy is about to make the transition from the industrial to the post-industrial era.

To the outsider, this looks a depressing chapter in Turin's affairs. Fiat is painfully adjusting to the realities of the 1980s: unemployment has grown by 80,000 in the past two years, the city seems marooned on the north-western corner of Italy, increasingly outshone by Milan as a focus for progress. And yet people are surprisingly optimistic.

Perhaps it is just the native resilience of the place. "Turin has been shaped much more by the mountains than the plains which stretch away east," says Prof. Luigi Firpo, of Turin University, and author of a book on the city. "The Piedmontese is serious, determined, and aware that he has to look after himself. It's not that we are cleverer than other people, probably we're more obtruse; that's why we'll find a way out of the present difficulties."

Certainly the Piedmontese are different. The French influence is not only a matter of architecture: Piedmontese cooking has a French richness and delicacy. Its people have a logical way of looking at things that ill fits with most of the rest of Italy. Giolitti, one of the country's more successful prime ministers and also a Piedmontese, once remarked that he was too pragmatic to make a good job of governing Italy.

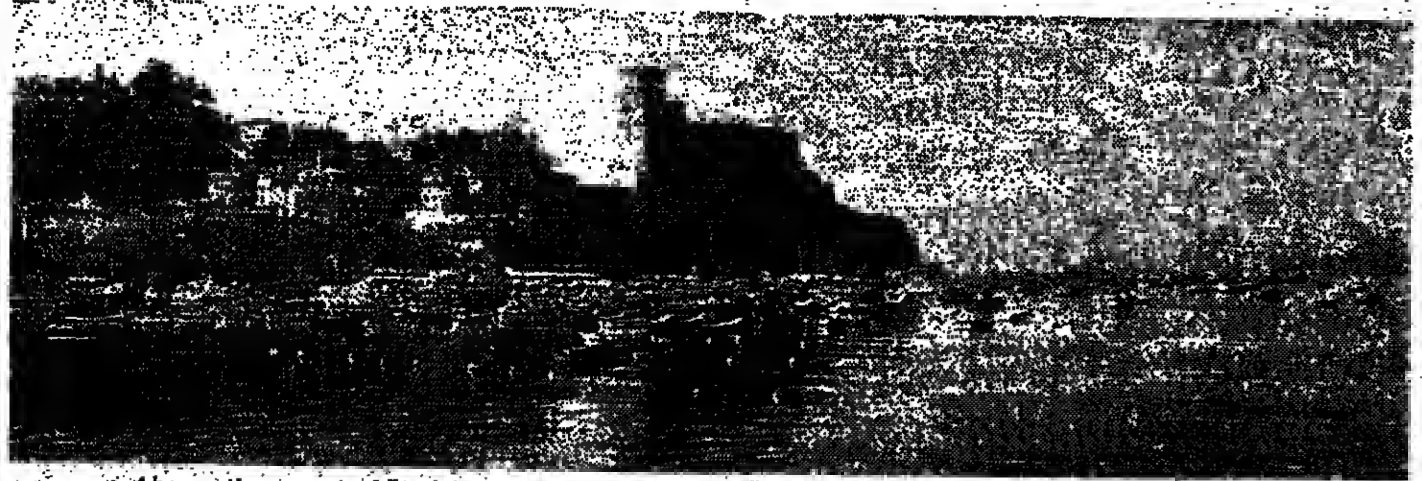
Nowhere has the good sense been more evident than in the seeming eradication of terrorism. In December 1979 extremism had reached such a pitch that three separate assaults on Fiat plants were staged in a single morning. But since early 1980 the city has not suffered a serious incident. Why?

Much credit is due to the Communist Party, by common consent. "When the party realised that it wasn't just Fiat but the whole city that was under threat, it said enough was enough," said a Turin watcher of 20 years. "Orders went out, and the factories stopped being a breeding ground. This is a city where the systems are all-powerful; with organised labour as well as management against them, the terrorists simply no longer had any room left in which to work."

Most people also praise Sig Diego Novelli, Turin's Communist mayor of seven years, for his intelligent handling of the city's affairs in a particularly difficult period. Novelli, as sad-faced as he is conscientious, is now throwing his weight behind the so-called *Mi-To* project, for closer, more rational links between Turin and Milan. The aim is to bring Turin in from the cold, to create the conditions for development of the services sector where the new jobs of the future will arise, and to cut out unnecessary duplication with its traditional northern rival.

But in other ways, perhaps more frivolous but no less significant, the city is picking itself up — thanks it should be said in some measure to Fiat and the Agnellis. It is said

CONTINUED ON FACING PAGE



Above: the resort of Lerici, near La Spezia on the Ligurian Riviera and (below) buying fish in Genoa's fish market

Trevor Humphries

LIGURIA

Small but rich

LIGURIA IS one of the smallest regions in Italy but statistics show that it is one of the most prosperous. It forms a long, narrow strip running from the French border round the Gulf of Genoa to La Spezia.

Most of the land is mountainous, but between the mountains and the sea are areas of reasonably flat land, on which are built both the resort towns of the Italian Riviera such as San Remo and Portofino, and the industrial and port city of Genoa,

Despite a comfortable prosperity, Genoa is in relative decline compared with other cities of northern Italy. Its port suffers low productivity and declining traffic, and much of its industry is in traditional large-scale sectors which are doing badly.

EMILIA—ROMAGNA

Farming's heartland

James Buxton looks at the southern half of the Lombardy Plain.

THE ITALIANS have discovered a new way of looking et their country. It used to be divided between the rich North and the poor South, with the only debate on whether to put the border between the two just south of Florence; or just south of Rome. But now the fashion is to divide the country between west and east.

On the western side are most of the great cities: Turin, Milan, Genoa, Rome and Naples. They and the areas between them have in common the dominance of large institutions—big private companies, massive banks, state-owned industrial concerns and the colossal civil service—and a somewhat faltering prosperity.

On the eastern side of the peninsula, on the other hand, the dominant inatitution is usually the small company, the little co-operative and the medium-sized towns. The local economy is still buoyant, the people confident. From the Veneto in the north, across the Po Valley, down to the east coast and into Puglia—the richest part of the Mezzogiorno—the argument holds. Nowhere does it hold firmer than in Emilia-Romagna.

Emilia-Romagna consists of the southern half of the Lombardy Plain, from the River Po to the Appennines. It looks very neat on the map: the Appennines end in an almost atraight line; just north of them runs the Via Emilia, the Roman road from Milan to the Adriatic near Rimini. And along that line, now matched with autostrade and railways, is a succession of towns, from Piacenza near the border with Lombardy, through Parma, Reggio Emilia and Modena to Bologna, making up Emilia, then on to Forli and the sea in Romagna. Ravenna and Ferrara, north of this line, are almost the only mejor towns not on the Via Emilia.

The plain, making up half the region, is almost uniformly flat, and might seem dreary but for the graceful Lombardy poplars around the solid farmsteads. The coast, except for some hunting marshes near the mouth of the Po, is a deplorable spectacle of chaotic development and crowded beeches. The border of the region with Tuscany runs along the central ridge of the Appennines, where it can still snow in early summer. The mountains give way to gentler hills which decline into the plain, divided by broad rivers that are almost completely dry in summer.

Some 4m people live in the region, nearly half a million of them in the regional capital, Bologna. The cities all have their treasures, such as the frescoed baptistry of Parma and the Byzantine mosaics of Ravenna, but the region is often passed over by foreign visitors. This is a pity, for they are not only missing a region that is representative of modern Italy—with almost half the population voting Communist—but also the one with arguably the best food.

In the Appennine foothills above Parma is the little town of Langhirano. It is quiet and leafy, and would be unexceptional hut for the many strange-looking tall, almost windowless huildings that stand on their own rather like churches. This ia the ceotre of the Parma ham industry: the buildings each contain thousands of hams, hanging for a year to season in the relatively fresh upland air. The unfortunate pigs which provida them can be seen here and there in the surrounding farms.

The Parma bams, which are also produced in the adjoining provinca of Reggio, are a reminder that this is the richest agricultural region in Italy. Near Parma are the establishments where Parmesan cheeses are made, but the bulk of the agricultural land in the region is given over to growing fruit, wine, sugar beet and maize.

The story of the development of Emilia-Romagna starts with agriculture. Whereas the cities of the old industrial triangle—Milan, Turin and Genoa—developed their industry in the late 19th century and eerly in tha 20th, Emilia-Romagna was still predominantly agricultural after the 1939-45 World War. More than 50 per cent of the populetion of the region was still employed on the land in 1950, but by 1960 this had fallen to 38 per cent. Now it is below 15 per cent.

But es other sectors, most obviously industry, bave grown, farming has not been left behind. It has constantly been modernlsed, helped by the replacement of archaic land bolding systems, a flow of agricultural credit for investment and hetter organisation. Food processing is a major industry in itself.

Part of the strength of agriculture in the region is due to the fact that farmers are far more prepared than in many parts of Italy to form co-operatives—both for the production and marketing of crops. In the areas near Ravenna and the sea some co-operatives actually own the land and have an even higher degree of interdependence. It is partly from these co-operatives that the Italian Communist Party draws its strength, though others are affiliated to the Socialists and other parties.

Post-war industrialisation, when it came, strongly reflected the agricultural origins of the population in the almost inevitable way farms became cottage industries. There were and are large-scale industries—such as Fiat Trattori, which makes tractors at Modena, and large chemical plants now belonging to Montedison and the State group ENI at Ferrara and Ravenna. But the region was generally less favoured for outsida investment, partly for fear of its communism.

This very fact actually gave impetus to small companies: in the late 1940s and early 1950s the big employers purged their companies of the leading communist trade unionists. Since the trada unionists were often some of tha most enterprising people they employed, they were well able to set up businsses on their own.

The economics professor and former industry minister Romano Prodi has identified two models for industry based on small units in Emilia-Romagna. The first is the "imitative" model where dozens of entrepreneurs have given birth to entities such as Carpi, near Modena, the biggest knitwear centre in Europe, and Sassuolo, also close by, which concentrates on ceramic tiles.

The small businessmen, highly motivated but using basically simple technology, can innovate fast, adapt to market conditions and set out to master foreign markets. Any technical innovation almost immedietely becomes common property and the basic resource, in industries where vast amounts of capital and economies of scale are not needed, is flexibility.

The second category Prof Prodi calls "Economy of scale at the level of the system rather than the company," and unlike the first category involves companies that are not all the same size but which are complementary to one another. The most obvious exampla is the Italian machine tools industry, centred on Bologna (Italy is the fourth-biggest exporter in the world). The industry's medium-sized companies rely on the smaller ones not just for some components but often for the manufacture of whole units that are too specialised for them to make and assemble economically themselves.

Thus within the system exists the capacity to undertake highly-specialised work, yet because the system is so large and comprehensive it enjoys an overall economy of scale. The crucial element, according to Prof Prodi, is that every compeny involved knows exactly what every other company is doing and can produce.

Even so, it baffles many an outsider that such systems can be so successful. The figures sbow, however, that seven out of eight of the region's provinces are in the top 20 in Italy in terms of income per bead.

But according to Sig Germano Bugarelli, who is the Communist regional "Minister" for planning and economy, the recession could not have come at a worse time and in a worse form for Emilia-Romagna and its special type of development. "The lay-offs that bave taken place aren't important in themselves," he says. "The trouble is that recesison involves this very tight monetary policy. It is hitting the companies with a low financial base just at the time when they ought to have been investing to improve their quality and their value added."

He argues that the region's industry has produced some stunning results in the past decade — Emilia-Romagna has the fastest economic growth of any Italien region — but now needs to make good past technological deficiencies, be more effective in overseas markets and introduce more data processing systems.

The regional government is trying to assist the upgrading of industry by establishing research centres: one has heen established at Carpi for the clothing industry and another is to be created at Reggio nell'Emilia for the design of agricultural machinery. But the position the regional government finds itself in emphasises the dilemma of the Communist Party (PCI) in administration everywhere in Italy.

Their problem is not so much political differences with a non-Communist central government—though these can be important: a plaintiva sign on the way into Parma effectively blames the rottenness of tha road on the refusal of central government to belp a PCI administration. It is more that the Communists believe in a firm economic policy and in planning, neitber of which exist at central governmant level. Italian government economic policy is only monetary policy, which cripples investment; and the absence of national planning makes nonsense of the detailed strategies that the PCI-controlled administrations draw up—for they never know if Rome will ever contribute.

All this only reinforces the Communist Party, which has powerful roots: historically in anti-clericalism (for much of the region was once a Papal doman); then in the struggle against fascism and the Germans by tha partisans towards the end of the 1939-45 World War, which politicised the rural dwellers; and by the anti-communist drives in industry in the early 1950s. Yet it is a communism of the individual, as one might expect in Italy, with none of the monolithic atructures, not to mention dictatorship, of Eastern Europe. As a result, some of its proponents find it hard to distinguish much of its practice from capitalism.

Coping with crisis

CONTINUED FROM PREVIOUS PAGE

that the cosmopolitan "avvocato" himself (Fiat president Gianni Agnelli) is spending much more time in Turin than before.

La Stampa, the Fiat-owned newspaper, is casting off its previous provincial character — a policy underlined by its recent coup in securing the services of Forattini, the country's best-known political cartoonist. Many now regard La Stampa as Italy's hest paper.

The Agnelli money which underpins Juventus — certainly Italy's best soccer team — has lately been splashed on World Cup stars like Rossi, Platiniand Boniek, in a bid to bring the European Cup to Turin for the first time ever. Juventus is another strange cog in the workings of the city: the workers who complain all week about Fiat can exult on Sundaya in the performance of the team which Fiat money has provided. And is Turin really so staid and provincial? After all, it is the only Italian city which has played host this summer to the Rolling Stones, an opportunity rather feebly turned down by Florence and others.

Most remarkable of all, perbaps, the invasion from the south has been absorbed. The imigrants are becoming Piedmontese in their ways, even speaking, according to one recent article in La Stampa, an "Italianised Piedmontese" rather than their native dialects. Many also believe that a second generation of ex-southerners, "Turinised" but less in awe of Fiat and the city establishment, is emerging. The consequent injection of fresh blood and new attitudes may be just what is needed to galvanise the city.

Turin has had worse moments than this, such as when it lost its place as the capital to Florence and then Rome. And there aeems no reason why that cord of Piedmonese ateel running through the many different aspects of the city should not again prove equal to the task of creating a Turin for the 21st century.

MANAGEMENT: Marketing

EDITED BY CHRISTOPHER LORENZ

PUBLIC RELATIONS

An uncertain role

PUBLIC RELATIONS is a term which often evokes negative responses. Many line managers perceive PR as a parasitic luxury, the sole job of which is simply to support sales through product mentions in the Press, while journalists may see it merely as a barrier between them and the "truth."

Neither view is an accurate one, yet it is not surprising that both are so prevalent given the uncertainty that exists in many companies about just what role public relations does — and should — play. This uncertainty has now been exposed in a new study* of "in-house" PR (as opposed to consultancy PR) carried out by Hay management consultants.

The study comes to the conclusion that not only is there little understanding within companies of the PR function but also that, in practice, "PR people give their advice after most of the big decisions have been taken, but play little or no part in the making of those decisions."

It adds that while "organisations may or may not be handling the critical issues related to their ability to manage in a complex and turbulent environment, they do not appear to be relying on their senior PR people for advice."

Hay's study is based on a survey of 26 companies (out of some 70 asked to respond) which provided detailed job descriptions of the PR function in their organisations. Hay was disappointed with the survey response, given that the 70 companies picked were all members of the Institute of Public Relations. A number of those companies explained that they did not have a job description for PR or, if they did, that it was out of date.

Hay also found that there was a considerable proliferation of job titles in PR and suggests that this adds to the lack of understanding about PR. "If salesmen, or doctors, used as many different ways of explaining to people what they do, people might not understand their jobs any better than they understand PR jobs," the study points out.

It concludes that both PR people and their employers should pay more attention to job definition—in particular focusing on the end results required from PR—and "the way in which those end results can be measured and shown to contribute to the furtherance of corporate objectives."

Analysis of the job descriptions given concentrated, not surprisingly, on the importance of good media relations. Yet Hay said it was surprised that there was little provision for the formation of an informed "bridge" between the media and senior management.

"It is now generally accepted that journalists much prefer to obtain important information and comment direct from very senior line management," the study points out.

Half the companies in the survey also did not make PR people accountable for public relations policy, "despite the fact that some sort of PR policy—explicit or implicit—usually provides important 'boundary lines' for the PR function."

In addition, a "significant number" of the job descriptions listed no responsibility for planning, budgeting, and controlling activities. "This suggests that the jobs are reacting to, rether than shaping, events," the study says.

Hay also points out a lack of other responsibilities which it believed should have formed part of the PR function but which were not included in the job descriptions analysed. These responsibilities included relating social, economic and political environment with business strategy. "Someone in organisations must be accountable for this input but, on this evidence, that someone is not the senior PR person," says Hay.

Hay's study ends with several recommendations to both PR people and their employers. It urges PR people to "consider with their bosses what material contributions they could make to developing business strategies and corporate policies."

But employers are also urged to accept that PR is "about managing in a complex and turbulent environment, not just about getting a good mention for Brand X."

*"In house" public relations and communications jobs, published by Hay Management Consultant, 52 Grosvenor Gardens, London SW1, price £10.

David Churchill

The merit of a view from the outside


John Kerridge: keenly aware of the role and value of PR

WHEN John Kerridge became chief executive of Fisons in June 1980, one of the early decisions he made was to close down the group's in-house public relations department.

One could heve been forgiven for thinking that such a move reflected the poor standing in which the pharmaceuticals and fertilisers group was held at that time. For several years its shares had been underperforming the stock market, it was struggling in several of its areas of activity, notably fertilisers, and its profit record was one of decline.

But the decision was much more straightforward than that. Kerridge simply believes in getting better value for money. He felt that group corporate public relations were a costly overhead, a view he also took of the management services, legal and property departments. So he closed them all down and contracted out on a consultancy basis.

Kerridge, a dominant personality who has cut a swathe through Fisons — closing down other peripheral activities and finally selling off the troublesome fertilisers division last winter to concentrate resources on pharmaceuticals, horticulture and scientific equipment—is in fact keenly aware of the role and value of PR.

He therefore had a clear idea of what he wanted to replace his internal department — an agency which would help develop a clear corporate image for Fisons, and advise on what approach to adopt when announcing financial results, takeovers and other matters. Divisional publicity was left in the hands of existing in-house departments.

Explaining his approach, Kerridge says that, with divisional product publicity "we have got the expertise, the experience and the repetition of work, so we use internal PR." On the other hand, with group corporate publicity, "if something arises which is new to us, we would rely heavily on the agency. There is immeasurable benefit in talking to these people. They have been there before."

Kerridge is guarded about what first prompted him to seek the aid of the agency he finally took on — Shandwick Communications. But it was clearly when a crucial corporate problem had to be resolved. Without the right presentation and approach, what Kerridge calls "inaccurate slants" (cynics might call them pertinent points) could have emerged.

Corporate PR, Kerridge feels, needs to be put "on a planned footing, and not just be fire brigade work." To establish a co-ordinated approach helps the company with its public image and creates City confidence, "which is important for raising money and making money for stockholders."

Presentation of financial results is another area where Kerridge feels the help of a PR agency can affect whether they are received well or badly. "This is important because I am accountable for results," he says, though adding the rider that "personal publicity is not important."

An important facet of PR, maintains Kerridge, is that it should help to create an image of the company in which personalities become unimportant. "I want to reach a stage where Fisons' image is such that chief executives can come and go and you don't notice the change."

Kerridge feels that he succeeded in attaining the profile he sought. In his early days as chief executive his PR objective was to lower Fisons' profile rather than raise it while he put together, and then into effect, a rationalisation programme that would set the group back on a growth path.

Certainly it has been noticeable that, as these steps began to take effect, a more aggressive profile began to emerge. The group's confidence assumed new heights after the sale of the fertilisers division in February to Norsk Hydro for £50m and the subsequent disclosure of a profits recovery of £5.5m to £9.3m in 1981.

Nicholas Leslie

Making a choice from video

HOW DO you choose a public relations consultancy from among the many that exist in the UK? One way is to look at video cassettes; a number of consultancies are now using tapes to help companies choose the right type of PR outfit.

These consultancies are members of the newly formed Public Relations Register, an offshoot of the successful Advertising Agency Register which has operated in the UK and U.S. for several years.

Lyndy Payne, managing director of the PR Register, says it was formed to help companies find consultancies "without going through the long, tedious, often embarrassing and difficult process of approaching each one individually."

For a fee of £100, companies get a confidential dossier on each consultancy and view—at the Register's Shaftesbury Avenue, London, offices—up to 10 video presentations outlining how each consultancy has developed three particular public relations campaigns.

The company can then draw up a short list—with the help of the Register's staff—and make direct contact with each.

The quality and content of the video offerings varies considerably—which is what happens when consultancies make formal "pitches" in person. However, by looking at presentations on video, companies can save time by eliminating those consultancies not offering the type of service they seek.

Among the major consultancies on the PR Register are Biss, Lancaster, Communications Strategy, Good Relations, Dewe Rogerson, and Charles Barker Lyons.

Adele Biss, managing director of Biss, Lancaster, is one of the most enthusiastic about the scheme, arguing that "it is one more way in which consultancies can establish their credibility with companies." It is certainly one of the better ways of sorting out the wheat from the considerable chaff that exists in the PR world.

D.C.

ADVERTISING

Come rain or come shine

IF IT'S hot and sunny today, you might hear a commercial on London's Capital Radio for Coppertone sun lotion or Heinz's canned salads. But if the temperature is below 20 degrees centigrade and the weather cloudy, then you're unlikely to hear them—because they will probably not be broadcast.

Coppertone, Heinz and others are taking advantage of Capital's "Thermal Pack" of commercials—an advertising tactic unique to Capital when launched last summer but which has now spread to a few other commercial radio stations in the UK.

The scheme developed by Capitel is designed to take advantage of Britain's changeable climate, enabling advertisers whose sales will be affected by the weather to broadcast their jingles only at times when the conditions outside are likely to prompt listeners to buy. Ice cream when it's hot, umbrellas when it's wet, anti-freeze when the temperature falls below zero, and so on. . . .

Advertisers who want to take part in this scheme agree in advance a ceiling on the amount of money they want to spend, and pre-set the conditions under which their commercials will be broadcast. For example, the advertisement could be linked to the pollen count or the forecast for rain, although the most common condition is a temperature of more than 20 degrees centigrade.

Capital Radio contacts the Meteorological Office at 3 pm each day and, depending on its forecast for the following day, decides whether the expected conditions "trigger off" a particular commercial. If the advertisement also meets certain other criteria—such as not having been broadcast too often already that week—then it will be scheduled to be played the following day.

The obvious drawback is the accuracy of the Met. Office's forecasts made 18 hours or so before the commercials are due to be broadcast. For example, a radio campaign for Boots sunglasses on Capital earlier this summer—which used the Thermal Pack—ran into rain on a couple of occasions in spite of forecasts of unbroken sunshine.

Philip Pinnegar, sales director of Capital, admits that such vagaries of the British climate can never be totally eliminated, but insists that the Met Office's track record is usually very good. He also argues that the importance of the "Thermal Pack" is that it concentrates advertisers' minds on the flexibility of radio as an edvertising medium. "Radio is about the only medium which can decide at such at late stage whether or not an advertisement can be given exposure," be maintains.


Trevor Humphries

Philip Pinnegar: his "Thermal Pack" allows Capital Radio advertisers to take advantage of the vagaries of Britain's weather

Cost-effective

Yet advertisers have not exactly been beating a path to Capital's doors in the Euston Road to take special advantage of the "Thermal Pack." About half a dozen took advantage of the scheme last summer and a similar number have so far taken the plunge this year.

Pinnegar is not unduly worried by this comparatively low level of response. "It's a service we can provide fairly cost-effectively to advertisers," be points out, "and if successful it will encourage them to use radio further."

One of the major advertisers using the "Thermal Pack" concept last summer was Nescafe, which was seeking to promote iced coffee; sales are normally depressed by hot weather.

Nescafe's agency, McCann-Erickson, adapted the "Thermal Pack" concept to give national coverage for the campaign. In the case of the other radio stations it had itself to confirm whether or not the commercials should be used.

John Duggan, the account executive at McCann's, remembers that "we were very lucky to get all the sunny days we were promised by the weathermen." He says that the response to the commercials—which suggested that Nescafe was ideal for making iced coffee—was higher than had been expected and was measured in terms of the number of people ringing up to ask for the recipe. Nescafe is not promoting the idea again this summer—it is spending its advertising budget in other campaigns — but Duggan believes that linking the commercials to the weather was an approach which paid off in the short term.

Although the idea has so far only been tested in the summer and with products that could benefit from hot weather, Pinnegar is keen to see other advertisers try the idea during the winter. "Porridge would be a good product to link to the cold of a British winter," he muses. In that way, come rain or shine, Capital would have the last laugh.

David Churchill

TECHNOLOGY

EDITED BY ALAN CANE

RAY DAFTER asks: are major energy corporations downgrading the other choices?

Unsolved conundrum on problems of renewable energy

ARE THE major energy corporations deliberately downgrading the potential of renewable energy sources to further their own crude oil and natural gas interests? Or are they merely taking a hard-nosed, business-like approach to the most sensible use of various energy sources?

The questions form part of a conundrum, as yet unsolved, which troubles many involved in the business of energy planning. The problem has been compounded in the past year or so by the apparent glut of oil and the fall, in real terms, of prices charged by producers. The energy industry's cancellation of major alternative fuel projects—schemes to turn coal into oil or gas and plans to extract liquids from shale or tar sands—has demonstrated that new sources of energy are not needed at present, nor economically justified.

The conventional view of fuel supplies and alternative energies shared by the major corporations is outlined in a new report* from the Royal Dutch/Shell Group. It shows that the cost of producing oil from "unconventional" sources, such as shale deposits, coal and plant crops can be 20 to 50 times as much as the average production cost of Middle East crude (a couple of dollars a barrel).

In a similar vein, it is calculated that the generation of electricity using solar power, winds or tides would cost the equivalent of over $100 a barrel. (The accompanying cost comparisons were provided to the Financial Times by Shell and other energy corporations.)

While Shell considers it likely that alternatives energies will be used increasingly on a localised basis in the coming years, it sees little chance of them altering the overall pattern of fuel and power supplies in the next two decades at least.

Oil is expected to remain the world's major source of energy although its share of total fuel supplies is likely to decline. In recent years oil has accounted for over 45 per cent of non-communist world demand (the equivalent of about 95m barrels a day of oil in total last year). Shell reckons that by the turn of the century oil will account for between 35 and 40 per cent of a demand running at the equivalent of about 135m-140m b/d.

Buoyant

Natural gas, which currently meets about one-fifth of the non-communist world's energy needs, is expected to play an increasingly important role. But much will depend on the development of large, uncommitted reserves in the Middle East, Africa, and the Soviet Union.

Coal, now meeting about 26 per cent of energy requirements, could be set for a new buoyant epoch. The annual consumption of around 2.8bn tonnes a year could rise to 5bn or even 7bn tonnes by the turn of the century, according to Shell.

	Technical production cost† ($ per barrel of oil)
Middle East oil (existing fields)	1.1- 4.5
North Sea oil (existing fields)	5.7- 22.8
Liquids from oil sands/shale (N. America)	17.1- 45.5
Indigenous coal (U.S.)	4.5- 9.1
Indigenous coal (N.W. Europe)	11.4- 28.5
Liquefied natural gas imports (Europe, Japan, U.S.)	28.5- 45.5
Substitute natural gas from indigenous coal (U.S.)	39.8- 62.6
Liquids from imported coal (N.W. Europe)	51.2- 74.0
Biomass (crops grown for fuel)	51.2-113.8†
Electricity, based on solar/wind/tidal power	91.0-135.0†
Solar heat	91.0-135.0†

* In February 1982 $; converted from 1980 dollar data provided by companies. † Per barrel of oil equivalent on a thermal basis.
Source: Shell and industry estimates

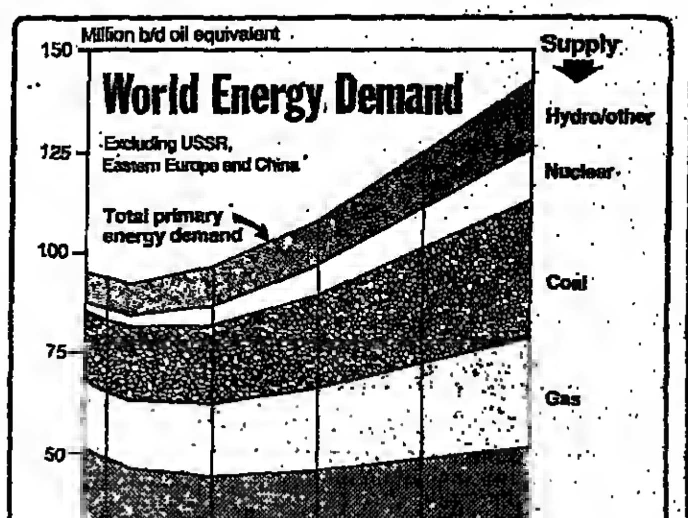
Nuclear energy could also pay an increasingly important role Shell, subscribing to the view that nuclear power is the cheapest way of generating base load electricity in many countries, says nuclear energy's share of total needs could grow from 3 per cent at present to as much as 10 per cent by the year 2000. But the corporation recognises the problems of "political and environmental" considerations as well as the uncertainties of electricity growth and high capital risk.

Hydro power is a source of energy often overlooked by Western commentators, but as Shell points out it has sustained an annual growth rate of 5.5 per cent over the last half century. Currently hydro-power supplies one fifth of total electricity in North America, over a quarter in Western Europe and 15 per cent in Japan. The growth in hydro capacity is expected to continue.

Biomass (plants for fuel) is seen to offer "enormous" potential. Each year, the total net primary production of plants is the equivalent of more than 10 times the world's annual energy consumption. Over half the world's population currently relies on burning wood for cooking and heating—a fact usually excluded from energy statistics. Shell says that while biomass is unlikely to become a large substitute for petroleum products it could become significant for countries seeking to be less dependent on imported oil.

Geothermal energy, obtained from the heat in the earth's crust, currently accounts for 0.1 per cent of worldwide electricity output. It will become more important as an energy supplier—particularly in the U.S., Mexico, Japan, the Philippines and Central America where "substantial" new generating capacity is planned—but it is unlikely to make a major global impact on energy supplies.

Solar energy has the potential for meeting the world's total energy needs 15,000 times over. But, says Shell, its commercial exploitation poses "considerable difficulties." Many technical problems remain to be overcome to improve the collection and storage "of such a dispersed energy" and to make solar systems more cost effective. Even so it is possible that solar systems (heat converters and electricity generators) could contribute the equivalent of 1m-2m barrels a day of oil to the needs of industrialised countries by the year 2000.



Tides offer a "substantial potential" energy contribution. At least 40 sites—including the Severn Estuary in the UK—could support generating stations each capable of producing 200 Mw or more of power using current technology. Studies in France and the UK have shown that generating costs are comparable to those of conventional power stations and that capital costs are near to those of hydro and nuclear plants. But the tides' impact on global energy supplies should remain "minimal."

Wind power could be particularly useful in developing countries like Peru, Chile, Brazil, Senegal, Somalia, India and Pakistan, reports Shell. But unless some form of electricity storage becomes available it will be difficult to match supply and demand without the support from other sources of power.

*The Energy Spectrum; Shell Briefing Service, No. 3, 1982.

Acronyms

CADMAT Centre

LATEST IN the battery of acronyms that is building up to describe the application of computing in various forms in manufacturing is CADMAT.

It stands for computer aided design, manufacture and test, which has also been called CIM, or computer integrated manufacturing.

In any event, one of the first CADMAT demonstration centres, sponsored by the Department of Industry as part of a three-year programme to promote the techniques, is to open next month at Racal Communications Equipment, Bracknell, Berks.

Potential CADMAT users will have the opportunity to undertake printed circuit board designs and see, at first hand, how advanced computer techniques are exploited by Racal.

CADMAT demonstrations will be available to meet the requirements of both large end small electronics companies and will be organised by the Institution of Electrical Engineers, to which further inquiries should be sent at Savoy Place, London WC2 (01-240 1871).

Microprocessor control

Turbine blade damage

THE NEED to put identification marks onto turbine engine blades without damaging them prompted Rolls-Royce to develop a microprocessor controlled marking machine.

This is now marketed and made under licence by Edward Pryor & Son, Sheffield, which has developed the machine for other applications. The instrument produces characters using a 7 by 5 dot matrix without stress to the item. The dots are produced by a tungsten carbide tipped stylus.

Elaine Williams reports on metal oxide semiconductors

Major restructuring in processing

THE SEMICONDUCTOR industry, so often the instrument of upheaval in other industries, is now undergoing a major restructuring in its processing technology.

According to a recent report by the U.S. consultancy, Strategic Incorporated, much of the very large scale integrated circuits now under development will be made using a technology called complementary metal oxide semiconductor or CMOS. Until now, CMOS has been limited to a narrow range of applications.

Historically, CMOS has been used in battery and other low power applications such as calculaters and digital watches or where there is a need to combine analogue and digital functions on the same silicon chip.

The emergence of CMOS as the most important silicon chip technology will be based on its decreasing cost, its speed of operation and its low power consumption. As engineers pack more transistors onto a particular area of silicon, the amount of heat produced becomes important since it can lead to damage. Hence CMOS does not have the same power problems associated with its rival technologies.

The report says, however, that "only a small number of U.S. integrated circuit suppliers have made serious commitment to CMOS as the dominant technology of the 1980s." It warns that companies which do not invest in the technology could lose their market share.

By 1990 it is forecast that the U.S. market for silicon chips will be worth $77.5bn compared with a mere $7bn today. CMOS accounts for around 22 per cent of today's total but it is estimated this percentage will reach nearly 50 per cent by 1990 and will be 80 per cent by the end of the century.

The range of suppliers now moving into the CMOS technology is growing at a rapid rate with most, if not all, the Japanese companies already committed to the process. In Europe, the report says that only SGS-Ates, the Italian electronics company, and Matra-Harris in France has made any significant progress in the advanced forms of the CMOS process.

Like most silicon chip processes, CMOS is not new. It was introduced in the mid-1960s. Then it was slower in operation than the dominant bipolar technology and a more complex process than the emerging mainstream MOS technologies but was used for its low power consumption.

Today MOS circuits have now overtaken bipolar technology especially for the large-scale integrated circuits such as memories and microprocessors which are manufactured in volume.

* CMOS — the future choice for vlsi applications available from IPI, 134 Holland Park Avenue, London W11, tel 01-221 0998.

Optical fibre

Evaluation kits

EQUIPMENTS that have RS232 or 20 mA ports can be connected together to assess the merits of optical fibre communications using a two way evaluation kit just introduced by Burr Brown International of Watford (0923 33837).

The kit consists of two interface boards each containing a high-performance fibre optical transmitter and receiver and two 33 metre lengths of terminated fibre optic cable.

Costing £299, the kit should prove useful in examining the prospects of improving communications where terminals and other devices are in use in a hazardous environment (where live electrical interfaces present problems).

Measuring

Water

KENT Industrial Measurements has introduced a new instrument for the automatic monitoring of water hardness. This is the latest in the company's Testomat range and is said to offer a wider choice of time intervals for testing.

Kent is at Hanworth Lane, Chertsey, Surrey. Ask for Sue Dorman on 09238 62671.

THE ARTS

Windy City/Victoria Palace

B. A. Young

The Front Page, by Ben Hecht and Charles MacArthur, is a witty, fast-moving, observant play about reporters covering a murder trial in Chicago, which in America has been a successful play and a successful film, and in London was one of the *National Theatre's* best productions. To give the barest outline of the plot, Hildy Johnson, star reporter of the Examiner, is about to marry Esther, a rich Hollywood heiress, and leave the paper; but he is covering the case of accused murderer Earl Williams and finds himself caught between his loyalty to the paper and his hopes of a happy new life.

Windy City is an adaptation by Dick Vosburgh (book and lyrics) and Tony Macaulay (music). A lot of what was good about *The Front Page* survives; but a lot is lost, and the songs are not much compensation.

Dennis Waterman plays Hildy. He has been both a law-man and a singer in other incarnations, and although there is little wit about his playing, he is as convincing as he can be in the circumstances. One thing he is not is romantic, for any suggestion that there is to be a romantic relation between him and Esther is disappointed. Esther (Amanda Redman) is offstage most of the evening. She ought, by the conventional rules, to have a big romantic song halfway through the second act, but all she gets is a lightweight piece of cool renunciation in waltz time when she decides that Hildy will never be persuaded to leave journalism.

The odd thing is that there is a big romantic song at that point, but it is for an unromantic girl, Molly Molloy, the whore who is in love with Earl Williams. Molly is nicely played by Diane Langton, and "I can talk to you," her song, is attractively done in a voice that combines streetwalker harshness with genuine affection.

Earl Williams won from me affection of a different kind, for in a most imaginative performance by *Robert Longden* he suggests a half-grown puppy. What he actually is is a mentally-handicapped young man who has shot a coloured cop while in a state of insane delusion. There is no anger in his shootings; later he shoots the psychiatrist sent to examine him, when that unimaginative expert hands him a pistol lent him by the Mayor and asks him to reproduce his actions on the fatal night.

This is one of the several funny scenes that made me regret that we kept having to halt the play for the music, for the songs are really powerfully unmemorable. Mr Vosburgh's lyrics are sometimes funny, and they fit the notes nicely, but there is no wit in them. Perhaps it's bad luck that I should have heard Frank Loesser's wonderful songs in *Guys and Dolls* so recently. What I look for is something that adds an extra quality to the dialogue, not something that simply interrupts it and marks time until we are ready to go on again. Another handicap is that there is no attempt at choreography, though there are two mockeries, one when the assembled reporters of Chicago do a simple dance routine rather badly, and later when the Mayor and the Sheriff make an exit.

The comedy tends to be concentrated into small areas, so promising names like Victor Spinetti turn out only to have little acts, in Mr Spinetti's case the sentimental poem he has written for the Tribune about the prisoner's white-haired mother. Anton Rodgers, as Hildy's dictatorial Managing Editor, is at least consistently funny whenever he is on stage. Others, like the Sheriff (John Blythe) and the Mayor (Shaun Curry, who tends to go about surrounded by a fancy-dress retinue, as he is nearing election-date) are welcome when they appear but don't really do much to build up a picture.

The difficulty is that the play is full of tiny characters who do little but dress the stage. In a generally enjoyable production, Peter Wood has done *all* he can to keep them relevant but sometimes they seem pointless.

One item at any rate is almost beyond criticism—the set. When the lights go up, we see a great two-storey construction by Carl Toms: on the ground floor is the Press Room, with a cell on one side and the Sheriff's office on the other, and above is is a corridor with doors and windows at each end in, I must admit, unexpected places architecturally speaking. Behind them is the outline of Chicago, with trains running along the elevated railway every few minutes. I hoped that they might show us the California Limited when Hildy and Esther missed it; but I expect that was on a different line.

Matt Zimmerman and Dennis Waterman

Record Review

Coming of Age

Andrew Clements reports on recent recordings of the work of young British composers

Knussen: Symphony No. 3, Ophelia Dances; Bainbridge: Viola Concerto. London Sinfonietta; Walter Trampler, Philharmonia/Michael Tilson Thomas. Unicorn RHD 400.
Benjamin: Piano sonata, Duo for cello and piano, *Flight* for solo flute. George Benjamin, Ross Pople, Kathryn Lukas. Nimbus 45009.
Smalley: The Pulses of Time, Pentes, Chanson de Geste. University of East Anglia Recordings UEA 81063.
Nyman: Assorted pieces. Michael Nyman Band. Sheet Records Sheet—1.
Bennett: Five Impromptus; Walton: Five Bagatelles; Maxwell Davies: Hill Runes; Henze: Royal Winter Music. Julian Bream. RCA RL25419.

Oliver Knussen and Simon Bainbridge make an appropriate pairing—exact contemporaries (born in 1952), both pupils of John Lambert and Gunther Schuller and both writing music that can be characterised by its fastidious aural imagination. Knussen's third symphony and Bainbridge's viola concerto are similarly natural choices for their first recordings, for each is arguably its composer's most considerable and consistent achievement to date.

When listening to the symphony indeed it's hard to believe that so much development and thematic generation is compressed into two parts that last barely a quarter of an hour. Knussen may have been *criticised* on occasion for his lack of productivity—the direct consequent of extreme self-criticism—but the results, when they arrive, justify the methods. The symphony is a fascinating, gorgeously coloured experience, telescoping forms and functions (Knussen's sleeve note talks of his fascination with cinema techniques, with the relationship between a "tough but fluid directional form, and the detail which can be frozen or 'blown-up' at any point"), and the *Ophelia Dances* follows as a smaller-scale appendix, sharing material with the symphony but developing it in less austere ways. If the symphony is aware of its formal antecedents, the dances owe at least much to the romantic fantasy pieces, and especially to Schumann's *Carnaval*, from which it generates some of its themes.

Bainbridge's viola concerto seems positively diffuse by comparison, but its emphasis on colour, on slowly, inevitably moving ritual forms, creates some haunting effects. Bainbridge ranges widely in his influences—Knussen's note mentions the court tradition of the Japanese Gagaku as a formal precedent for the long, subdued second movement of the concerto, and there is highly effective expressive use of microtones as the solo viola unwinds its lines. Performances of both works, by composers who stand at the head of their generation in Britain, are finely detailed, with an unostentatious digital recording to give a natural balance.

A decade behind Knussen and Bainbridge comes George Benjamin. Nimbus have secured a considerable coup by issuing three of this 22-year-old's works in a digital recording that is designed to play at 45 rpm instead of the usual 33⅓. The manufacturer claims increased signal levels and lower distortion at the higher speed, and certainly the vividness of the sound is a perfect match for the vigour of the performances. Yet interest in this record is fractionally tempered by the selection of music. The piano sonata is relatively early Benjamin, written four years ago and not as fully in control of its style as his more recent pieces; it seems now to me obviously designed to impress, without much thoroughly musical substance behind it.

The progress between the sonata and the recent piano piece *Sortilèges*, which I reviewed here earlier this week is considerable, and the Duo for cello and piano approaches the later work in its more careful use of material and the economy of its construction; the solo flute *Flight* is an elegant study in smoothly developing melodic lines, neatly shaped and perfectly idiomatic. Benjamin himself plays the piano sonata, vividly and accurately, and accompanies Ross Pople in the Duo to give the work a gritty surface that sets it apart from his other music.

Denis Smalley is a New Zealander, born in 1946, but the first recording of his music qualifies for this column by virtue of its provenance; Smalley now lives in England and works at the University of East Anglia, whence the disc originated. *Pentes*, a purely tape piece, is likely to be the most familiar of the works here. Composed in 1974, it has been played fairly extensively and was an early demonstration of Smalley's control of his electronic resources, even when, as in *Pentes*, the treatment by the most up-to-date techniques is relatively unsophisticated. Smalley's ability to judge the poetic effect—in *Pentes* the sudden appearance of some Northumbrian pipes *au naturel*—is retained through the later infinitely more "advanced" pieces.

Chanson de Geste leaves taped procedures aside to explore some areas of extended vocal technique far more fruitfully than in much contemporary vocal music, the accompaniment to the solo soprano (the American Carol Plantamura) given to a clavichord and an assortment of everyday percussion objects. *The Pulses of Time* is much larger, more ambitious, and Smalley's most considerable work so far: a profound exploration of the nature and use of pulse in music, using predominantly electronically generated sound with a clavichord again acting as natural foil. The disc comes with copious and informative notes by the composer.

Briefer discussions only of Michael Nyman's disc and Julian Bream's anthology of contemporary British guitar pieces. Nyman's infectiously entertaining compilation includes several of the numbers that have made his recent concerts with the Michael Nyman Band so refreshing, especially *In Re Don Giovanni* and *Bird List Song*, which turn some of the commonplaces of contemporary popular music on their heads. The second side contains what I take to be a suite from the music Nyman supplied for *The Masterwork*, the performance-art work put on at Riverside Studios two years ago; no explanation is provided.

Bream's disc contains Bennett's straightforward Impromptus and Walton's now established *Bagatelles*, but also a recent short guitar work by Maxwell Davies. *Hill Runes* shares thematic material with the second symphony; it's another of Davies's brooding Orkney landscapes, the kind of writing that could be said to characterise his present style more completely than any other. Henze's "Sonata on Shakespearian Characters" seems to me desperately thin and indulgent, good though the recorded performance inevitably is.

The Rape of Lucretia/Guildhall School

Max Loppert

Since the demise of the English Opera Group and its successor, English Music Theatre, *The Rape of Lucretia* has been most frequently encountered not in the larger opera houses but in the occasional productions of the opera schools. As with Poulenc's *Carmelites*, a not too dissimilar case, the reasons are not hard to discover: Britten's cast of eight (four each of meaty male and female roles) and orchestra of 12 are requirements modest in budgetary terms and at the same rewardingly taxing in artistic. Good young mezzos can usually be found for the demanding central role of Lucretia; and, indeed, the whole opera — whose marginal status is perhaps to be reckoned by its currently semi-obscured position in the Britten canon — can take on a glow of freshness that sorts well with the best of the score (which is, surely, some of the composer's most beautiful music) while countering the perennial discomforts of the libretto.

All, however, is not gain. At the core of *Lucretia*, beneath the flummery trappings of Christian morality and beneath Ronald Duncan's painful poetastery, there lies a powerfully affecting dramatic situation involving adult people and adult emotional conflict. When, as happened with the first of the alternate casts for the current Guildhall production, seen on Tuesday, the men are neat and musical performers lacking mature authority of bearing, the early scenes take on a slight note of play-acting in fancy dress. The Male Chorus, Paul Harrhy, sang well but "placed" his commentaries fervently, without much sophistication. Most plausible was the Tarquinius, Andrew Hambly-Smith, with a good figure and a clear, true baritone; but the driving force of the Etruscan force had to be *sacrificed somewhat* to his clean-limbed English youthfulness.

The women, by contrast, fell into place on the stage with touching naturalness—and, since it is their scenes that waft the work's abiding fragrance, much of the performance, under Vilem Tausky's secure direction, was eloquent. Linda Strachan, a young mezzo with vocal warmth and lustre at her disposal, tended to generalise Lucretia's particularities: but sincerity and strong involvement carried us through some fairly naive patches in her acting. Maid (Maria Bovino) and nurse (Helen Cannell) were happily matched to mistress; and only the Female Chorus could be said to fall persistently below the generally good standard of the rest.

This production by Tom Hawkes, sponsored by BP, goes to Bristol and to Snape after its two London showings. Its most original and questionable detail is the transformation of the two Choruses into modern-dress tourists on an inspection of Etruscan antiquities, Baedeker in hand. Like them or not, the opera's dramatic outlines are founded upon the choric functions of these central two parts, and those outlines were here blurred. Otherwise the show is notable for the good sense and practicality Mr Hawkes can usually summon on such occasions; it moves featly, dramatically and catches one up in its progress.

BBC Northern Symphony/Albert Hall

David Murray

I chose to enjoy Tuesday's Prom concert at home, since half of it was telecast and all of it broadcast on Radio 3. BBC-2 chose mysteriously to show the second half, consisting of perhaps the least televisual of all the great classical symphonies, Schubert's Ninth, instead of the first, in which Radu Lupu's brooding presence at the piano should have been eminently watchable. Perhaps they feared to risk Webern's op. 1 Passacaglia on their audience; in fact it made an awkward start on the radio, with its slow *pizzicati* scarcely distinguishable amid the settling-down rustles of the audience.

Günther Herbig conducted a cool, shapely performance of the Webern, which is all that one can ask. Admirable construction though it is, the Passacaglia makes a puzzling concert-piece; its darkly brooding beginning and close suggest a drama that isn't borne out by the central sections, formal and tight-lipped despite their post-Romantic gestures. Television could at least have elucidated the form helpfully. With Schubert's Ninth Symphony it could do nothing but cut again and again (the work is, of course, very long) to the four wind players who carry most of the solo burden, between views of the orchestra in industrious ranks, and extended shots of Mr Herbig controlling things.

With a facial repertoire chiefly comprising mild worry and mild relief, repeated in that order *ad libitum*, Herbig was not riveting to watch. His account of the Schubert was absolutely sound, unexceptionable in every detail, and really quite satisfying to hear. There was no touch of imagination to remark, but it would be wrong to call such faithful work pedestrian. I wondered what the cameras would do in the Finale with the strings, who have endless pages of identical, exhausting figuration and are *likely* to look increasingly glazed and/or mutinous. In the event televisual desperation had already set in, and when there wasn't a covey of chanting trombones to pounce upon everybody else was floated in a murk of superimposed images.

Twenty-five years of Spoleto

William Weaver finds little has changed

It is hard to believe that the Festival of Two Worlds is now a full 25 years old. From the beginning, the emphasis has been on youth: and the festival's personality is lovable for its insouciance, its breeziness, its inquiring open mind. *In the* past, during festival time there was always the rumour that Spoleto was on the brink of collapse, that chronic lack of money—surely a youthful failing—was going to close the doors. But in recent years, increased Government support and the regular functioning of the American and Italian fund-raising organisations have given Spoleto a certain economic stability and, with it, a confidence in survival.

The nostalgic occasionally say that the hectic old days were more fun, and sometimes it does seem that the festival is a bit less adventurous than in the past. But no one could accuse it of being academic or of playing safe. Spoleto has always been willing to run risks, even to make mistakes; and it is this courage that gives the festival its allure.

On this silver anniversary the tone was anything but commemorative. The programme was not inspired by retrospect, and was as rich and intense as ever. The culture addict, on a typical Spoleto weekend, could start the morning with a movie, hear the chamber music at noon (if he could procure a ticket; these are the most consistently sold-out events on the calendar), attend an opera at three, a play at six, a ballet evening at nine. And—if an initiate—perhaps a party at midnight.

As often happens, the opening production was not the most impressive. An imported staging of *Der fliegende Holländer* was of interest chiefly because it gave Christian Badea, the festival's musical director, an opportunity to shine; and he did, whipping a taut and impassioned performance from the gifted young people—mostly students—who made up the hand-picked Spoleto orchestra. Magdalena Cononovici, the Senta was made the focal figure of the work by the producer Franz Marijnen; but her intensity and total commitment to the drama and the music justified this emphasis. Marijnen had her on stage during the overture; other breaches of tradition—such as turning the spinners into laundresses—were less acceptable, but on the whole the staging was interesting, acute. Jean-Marie Fievez designed workable sets, though his immense vat for the washerwomen made the Dutchman's meeting with Senta something of an anti-climax. Wolfgang Lenz was a romantic, lyrical Dutchman, however; and the rest of the cast was well-assigned. Though perhaps not festival fare, this was a sound and enjoyable event.

More important, in the opera department here, was the Italian première (and European deuxième) of Menotti's own *Juana la loca*. This was pretty much the production seen at the Stadttheater of Giessen last season, again conducted by Herbert Gietzen, designed by Pasquale Grossi, and produced by the composer. It is no secret that when the opera was first given in the United States, its star Beverly Sills—for whom the work was written—insisted on a number of changes and cuts, to Menotti's dismay. Nevertheless, *Juana* enjoyed a considerable success; and now its original, or definitive, version should win the work even more supporters: it is surely one of Menotti's best, not only theatrically effective, but genuinely moving, notably in the last-act mad scene (one of the victims of Miss Sills's scissors).

As Juana, Pamela Myers sang and acted well: if she is not yet quite the sort of superstar the role demands, she may well become just that. Brian Schexnayder sang the three baritone roles—Felipe, Ferando, and Carlos—with praiseworthy musicality, though his callow physique and a certain vocal blandness told against him. As might have been expected, Menotti staged the piece with painstaking care and great insight.

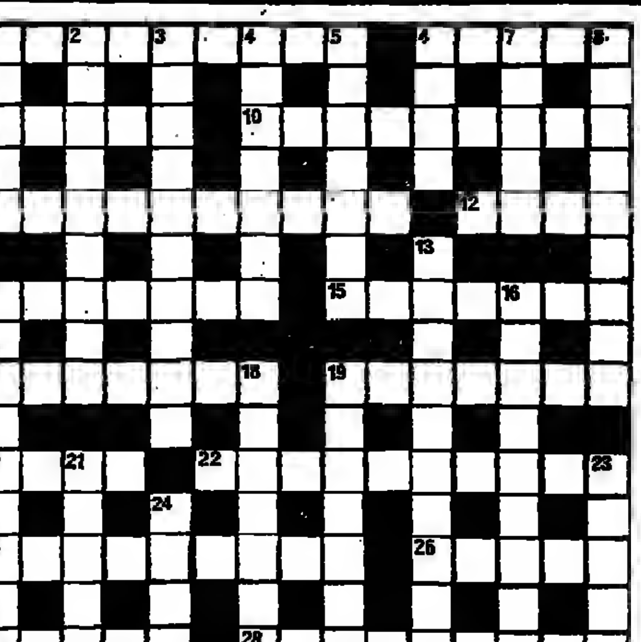
The Festival of Two Worlds always provides a few dark horses, surprise hits with productions that were probably intended to be "minor," events added to flesh out the *cartellone*. Gounod's *La Colombe* was one of these. This little opéra-comique—less than two hours of music—was originally produced at Baden-Baden in 1860, flopped in Paris six years later, then was successfully revived by Diaghilev in Monte Carlo nearly half a century after that. Charming, light-hearted, *La Colombe* was written only a year after *Faust*, when the composer was at the height of his powers; and it is clear that this little work received all his attention. There is not a dull note in it, and the libretto of Barbier and Carre, based on LaFontaine, is full of wit.

Though the conducting of Baldo Podic occasionally seemed heavy, Giulio Chazalettes staged the piece with well-paced humour and the right amount of lyric wistfulness. William Matteuzzi's sweet tenor voice was ideal for the enamored and impoverished Horace, while the perky Marta Marquez sang delightfully in the part of the rich, but not insensitive Sylvie. The travesty part of Mazet was brilliantly done—but never over-done—by the mezzo Helga Müller Molinari; and Francois Loup, the only francophone in the cast, was a splendid Maître Jean, the majordomo who also gives Mazet some cooking advice. His easy, idiomatic performance suggested the kinship between Gounod—*this* Gounod and Offenbach. This work, and this production merit further hearings. Even a brief stay in Spoleto cannot be reported very briefly. Ballet, drama, and the rest will have to wait for the next article.

ENO opens 82/83 season with 'Tosca'

On Saturday next the English National Opera opens its 1982-1983 season at the London Coliseum with a revival of Puccini's *Tosca*.

F.T. CROSSWORD PUZZLE NO. 4,929



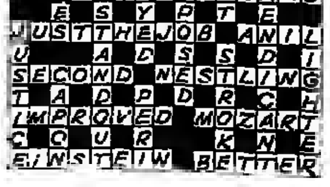
ACROSS

1 Officer in bus reversing to change direction (9)
6 A very rigid body (5)
9 Mimicry? Yes, for each within (5)
10 Critic and committee come in (9)
11 What batsmen may do to accommodate spectators (4, 1, 5)
12 Bromine that is put in cheese (4)
14 Old man holding large notice (7)
15 Sample of punishment to serve as a warning (7)
17 Conduct or behaviour in lawsuits (7)
19 Plot to send a sleeping supporter (7)
20 Seed container and leaf held by nobleman (4)
22 Punts a bit, but having widely divided opinions (5, 5)
25 Unseemliness created by minor duce (9)
26 Speak at length with nought to be worthy of (5)
27 Be incorrect or make a mistake (5)
28 Discourage man producing a cleansing agent (9)

DOWN

1 A colony to climb (5)
2 Meal to bring to an end and stop eating (9)
3 Assault, to get possession of, as bishops may do (3, 5, 2)
4 Left about a hundred emotionally aroused (7)
5 Candidate could make mine one (7)
6 Root and what may develop from it (4)
7 Bury in certain terrain (5)
8 Might the essence require stuffing? (9)
13 Sentence from tough political party (4, 6)
14 A means of communication requiring a hold in the ring (5-4)
16 Disseminate to support a crowd (9)
18 Flushed after washing (7)
19 Hybrid bear met—under a schooner in Australia (4, 3)
21 Jockey seen on some scales (5)
23 River and territory to lease (5)
24 Blemish a bare craggy rock formation (4)

Solution to Puzzle No. 4,928



FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Thursday July 22 1982

Mr Volcker in control

THE CLEAREST implication of Mr Paul Volcker's evidence on monetary policy in Congress on Tuesday is that the chairman of the U.S. Federal Reserve Board is firmly back in control of policy. After the criticisms and challenges of the more extreme monetarists in Mr Reagan's administration, who had accused the Fed of causing recession through technically faulty methods, this is well worth knowing. In the context of recent Fed actions, which have brought down short-term U.S. interest rates by between three and four full percentage points in recent weeks (though bank prime rates are following only circumspectly) it is also re-assuring. America begins to look like a better financial neighbour.

Mr Beryl Sprinkel and other technical critics have recently accused the Fed of being both soft and unpredictable, producing both higher interest rates and higher monetary growth than was desirable. They have demanded what amounted to a still purer policy, with tighter short term control, in the belief that this would boost confidence.

Not a trace of this thinking appeared in Mr Volcker's statement. On the contrary, he confirmed what he has several times suggested in recent weeks: the targets have effectively been relaxed, and will be operated more flexibly. For this year, the announced top end of the target range is now effectively the middle; for next year, the range will remain unchanged instead of being tightened.

Background

Although this relaxation was presented in the language of stern resolve, it might have caused some alarm in the investment community had it been announced any earlier: U.S. markets are much more monetarist than London markets have learned to be. However, the actual growth of the money supply in recent weeks provided the ideal background. There has been a sharp fall in the underlying growth rate, corrected for known distortions, which the monetarists were not expecting and are at a loss to explain.

This not only justifies the Fed's present stance on interest rates; it adds strong point to Mr Volcker's argument that a narrow measure of the money supply is an unreliable and possibly misleading indicator of the stance of policy. The Fed will therefore explicitly use its own judgment in interpreting the figures, deciding how far growth reflects bullish factors, and how far it represents bearish ones—distress borrowing and precautionary balances.

Targets

This stress on the complexity of events will be very familiar in London, where the Chancellor has brought more and more monetary aggregates into his range of policy targets, and the markets have concluded that Britain is now back on a policy directed to its traditional concern—the exchange rate and the level of interest rates. A cynic might remark that monetarists in retreat always proclaim their continued faith, but fudge the figures. The Fed, which is worried not only by the depressed state of the U.S. economy, but by the threat that continued high real credit costs could raise bankruptcies to crisis levels, has powerful reasons to try to drive rates down.

However, it seems unlikely that Mr Volcker will set off at a bold pace. Re-educating the markets is a delicate process, and should the next inexplicable swing in the monetary figures be upwards, the policy would be endangered.

Indeed, were the whole structure of rates moving down at this stage, it might be difficult to restrain the financial markets, which tend to overshoot in such circumstances. What the Fed has achieved is something much more British: a fall in short rates, but not in long ones.

This will take some pressure off corporate borrowers, while making it easier to fund the Federal deficit at somewhat longer term than has been traditional; the deficit can then be seen as a factor holding up long rates and hampering corporate refinancing, but as much less of a threat to monetary control.

For the moment then, the welcome policy of recent weeks looks sustainable and it may before long be reinforced politically. Less is now being heard from Mr Sprinkel and more will surely be heard, at least within the administration, from the new Secretary of State. Mr George Shultz is a professional economist of wide international experience; he will be a strong opponent of any new retreat into insular dogma.

Half-measures in Poland

GENERAL JARUZELSKI has pulled few surprises in his long-awaited announcement yesterday of a partial easing in martial law in Poland. The mixture of a few immediate concessions with vague hints of more to come was typical of the cautious line one has come to expect from Poland's military ruler.

Most of the 2,000 people interned without trial are to be freed, some foreign travel and communications restrictions are to be relaxed and some freedom of association to be restored for apolitical groups. But there was no word or decision on the fate of Mr Lech Walesa and his suspended Solidarity organisation, while the future of trade unions in general is still to be studied. Formal martial law might be lifted by the end of the year, but even then would be replaced by special powers legislation. In addition, the general has engineered a postponement of the Pope's visit to Poland from next month to next year.

On balance, one must agree with the West German Government statement yesterday that the latest moves in Poland are "a step in the right direction," but they obviously fall short of the conditions which Nato and the EEC set in January for dismantling their economic sanctions against Poland and, for that matter, the Soviet Union. These Western demands were that martial law be lifted, all internees be freed and that the Jaruzelski regime start talking again to Solidarity and the Church; until those things happened, Western governments would freeze new credit to Poland and refuse to discuss rescheduling Poland's 1982 debts owed to them.

These demands were always more in the nature of objectives than flat conditions. For one thing, even if Poland were returned overnight to the pre-December 1981 *status quo*, Western credit is hardly likely to start flowing again to Poland in any quantity.

Pressure

On a broader level, it was never realistic to suppose that General Jaruzelski would scrap at a stroke all the apparatus of martial law because of Western pressure. The sanctions were intended, first, to express the West's moral outrage at the military crackdown in Poland and, second, to make the authorities in Warsaw and Moscow pay a price for imposing and condoning martial law. These two aims have been achieved, though of course the extent to which General Jaruzelski has been forced by Western pressure to ease up faster than he would have in the absence of Western action is unquantifiable.

As time goes on, the West may be approaching the point where the disadvantages of its sanctions come to outweigh the advantages of keeping up the economic pressure on the Jaruzelski government.

In a separate speech to the Polish Parliament yesterday, Mr Mieczyslaw Rakowski, the deputy premier, announced a special committee to study "the rebirth of the trade unions" and held out an olive branch to those Solidarity members who were ready to eschew a political role and the right to strike and to limit their economic demands. Some Solidarity members, who in recent weeks have appeared less and less keen for open confrontation with the authorities, may now be ready to grasp at this.

But equally Solidarity activists may feel that they have given General Jaruzelski an opportunity to grant genuine liberalisation and that the general has now thrown away his chance by only coming up with half-measures. It is worth recalling that on May 1 General Jaruzelski freed 1,000 internees, only to haul an even larger number back into detention after street riots in Warsaw a few days later.

Graduated

The point for the West is that it cannot appear grateful for something which the majority of the Polish people are not. But, if it emerges in coming days and weeks that most Poles do not feel that General Jaruzelski is normalising Polish life at an intolerably slow pace, then some reciprocal and graduated easing of Western sanctions is probably appropriate.

The best form this could take is for Western governments to start discussing re-scheduling their portion of the $5.5bn which Poland owes the West this year. As we have argued before, this is scarcely a concession to the Polish authorities. Re-scheduling would at least mean Poland making some interest payments instead of none as at present.

THE IRA BOMBINGS

Why the heat is on again

By Brendan Keenan in Dublin

THE RETURN of the bombers to the streets of London underlines not only the continuing danger from the Provisional IRA but—somewhat paradoxically—the fact that events have been moving against them in recent months.

The Provisionals have seen a bigger swing in their fortunes over the past year than at any time since their campaign of violence began in 1971—and they have needed some spectacular successes to encourage members and supporters.

The London bombs will not make things any easier for Mr James Prior, the Northern Ireland Secretary, as he moves to implement plans to set up a new assembly in the province and devolve power to it. Elections for the assembly are scheduled to be held on October 20.

On the IRA's past record, it can be expected to intensify its military campaign as the political initiative gathers steam.

There is always a temptation when incidents such as the London bombings occur, to ascribe the motives to recent events. This ignores the way in which the bombing units work and weeks, perhaps months, of reconnaisance, planning and movement of explosives which the bombers engage in before attacks such as Tuesday's.

The recent trial in Dublin of Gerard Tuite, for bombings carried out in London in 1978, heard a tape recording in which the bombers listed possible targets which had been reconnoitered with frightening accuracy and spoke of the difficulties of establishing secure bases in the city.

The IRA have learnt a lot since the first bombs in London in the early 1970s—when the perpetrators were arrested trying to get back to Ireland. Now the bombing unit members live and work in the city, avoid the places which Irish people frequent and scrupulously avoid drawing attention to themselves.

A growing tendency for captured terrorists to turn Queen's evidence

But if the precise timing and nature of bombings is left to the unit, the general instructions still come from the IRA leadership and there are several reasons why it might want some "spectaculars."

A statement by the Provisionals which followed the London bombs referred to the Falklands campaign and this may have been a real factor in the bombing decision. The Falklands pushed Northern Ireland — and the Provos — off the front pages. The British successes probably infuriated the IRA and the willingness of the British to lose as many men in a matter of weeks as they would in years in Ulster may well have rattled the IRA.

Mr James Prior: the London bombings (right) will not make his Northern Ireland initiative any easier.

The leadership may also have felt that the Tuite trial required some response, for it reflected a partial closure of a legal loophole through which terrorist suspects have been able to squeeze for years.

The case was the most spectacular prosecution yet under extra-territorial legislation which allows for the trial of suspects in the one country for offences committed in the other.

On top of these immediate reasons there is the IRA's need to point to some successes.

At the time of the Northern Ireland hunger strikes in mid-1981 many Provisionals believed their elusive "victory" was in sight. Recruits were Westminster and the Dublin Parliament. They would, as their publicity officer Danny Morrison put it, take power "with a ballot paper in one hand and an armalite rifle in the other."

It has not worked out like that. The political support evaporated as soon as the hunger strikes were over and the period afterwards was marked by some of the most successful police work in Northern Ireland which tore huge holes in the IRA's network.

Those successes were based on the growing tendency for captured terrorists to turn Queen's evidence and supply information. In return, they are granted immunity and they and their families are given a new identity somewhere else.

There have been criticisms of the legality and morality of this procedure but it appears to be working as men face the prospect of a long spell in prison, perhaps for the second time.

It may yet produce its own tragedy. The pregnant wife of a man facing terrorist charges in Belfast has disappeared, amid rumours that he was about to turn Queen's evidence. The fears is that the IRA got to her before the police and are holding her as a hostage against his subsequent behaviour. The Royal Ulster Constabulary is likely to continue with the immunity tactics, this incident notwithstanding.

The IRA has problems outside Ulster too. In the Republic, the success of the extra-territorial legislation may be limited but it does mean that no IRA volunteer can look forward to automatic freedom if he makes it across the border.

The U.S. authorities have also been aplying the heat. The fund-raising organisation, Noraid, is under scrutiny and may have to disclose how it disposes of its funds—funds which many believe go into the coffers of the IRA.

British successes in the Falklands campaign probably infuriated the IRA as well as pushing Ulster off the front pages

The FBI appears to be on the trail of the IRA's gun-running activities, to judge by recent arrests. Success here could be damaging for the Provisionals because, despite many myths, the United States is still their best source for arms.

Yet the UK Government can take little immediate comfort from these developments, because the IRA response to difficulty is traditionally to make its campaign more violent and bloody.

This is all too easily done. It is actually simpler to plant a car bomb in a busy street than, say, to ambush an army patrol. Observers in Belfast have noticed in recent attacks a return to the kind of bombing in which civilian casualties are clearly a matter of indifference to the perpetrators.

This is being linked to reports of a new hard-line element in the upper ranks of the IRA. It is now generally accepted that effective control of the Provisionals, and the smaller Irish National Liberation Army, is in the hands of young men with Northern Ireland backgrounds.

This week might have been even more spectacular for the Provisionals had it not been for the activities of the Irish police in County Donegal. They arrested five men on Sunday who were holding two local families hostage and on Tuesday discovered an IRA camp and arms cache.

The haul included half-a-ton of explosives, seven primed rockets and a rocket launcher. It seems clear that a major attack was being planned, probably on army or police installations across the border in Derry.

On the political side, the Provisionals have already thrown out the old political idea of a united, federal Ireland based on the historic four provinces. Power will reside firmly in Dublin. The move appears to have been made largely at the instigation of hardline young northerners such as Gerry Adams and Danny Morrison.

On the "military" side, the argument seems to be for a long war of attrition, with the IRA using its depleted resources to achieve maximum impact—which usually means maximum casualties—when it does strike.

Bombings in London fit well into such a strategy. As the IRA well knows, attacks in mainland Britain have far more impact than those in Northern Ireland. It is probably only the operational difficulties that prevent them being more frequent.

The conclusion is that, despite its difficulties, the IRA is not going to put away its guns and that, partly because of those difficulties, may be about to turn more nasty. That is the background against which the Northern Ireland Secretary, Mr Prior, must launch his political initiative.

Mr Prior's plans are for a 78-seat assembly which would have no initial powers. But it could have powers devolved to it if 70 per cent of members agreed and — to protect the Catholic minority — if that 70 per cent included significant cross community support.

The Provisionals are implacably opposed to any political development short of British withdrawal from Ulster. The prospect of renewed outrages as the political process gathers steam is one of the reasons why Mr Prior's proposals are so modest in what they seek to achieve.

It is necessary to get the politicians to give the proposals a chance but it is also important that they do not all run for the cover of their tribal positions at the first IRA shooting or bombing.

Unionists are prone to such tactics. The official Unionist leader, Mr James Molyneaux, who has no love for the proposals, likes to hint darkly that Mr Prior, the Foreign Office and the IRA are all conspiring together.

It is difficult to shout "conspiracy," however, when all that is being suggested is the slow evolution of committees to propose legislation on agriculture, industrial development and other subjects of benefit to the people of Northern Ireland.

The problem for Mr Prior is that, in trying to head off Unionist paranoia, he has run foul of the Social Democratic and Labour Party, which represents most Ulster Catholics.

It says Mr Prior's modest plans do nothing to solve the problems of Ulster's minority—their sense of Irish identity and their inability to have a say in the running of the province in the face of an in-built Unionist majority.

The situation has not been helped by the discovery that the SDLP deputy leader, Mr Seamus Mallon, has made himself ineligible for the Assembly by accepting a nomination to the Irish Republic's Senate.

Even if that problem is resolved, SDLP hostility to the plan will not evaporate, and the party is being supported by Mr Haughey's Government in Dublin. Mr Prior cannot even console himself with the thought that he has wooed the unionists, who vary from deep suspicion to outright hostility.

The Secretary of State takes that as proof that it is not

Mr Prior has run foul of the SDLP, which represents most Catholics

possible to construct a package acceptable to both sides and it is hard to disagree with him. Instead, he too, believes in a war of attrition. Political structures and political confidence must be built up over a period, not of months, but years.

The Provisional IRA and Her Majesty's Secretary of State are agreed on one thing—it will be a long, hard slog. The unpalatable truth for the rest of us is that, if they are right, the problem of Northern Ireland, and its attendant suffering, are going to be with us for some time to come.

Men & Matters

Insolent speed

Sir Maxwell Joseph, aged 72, who is soon to retire from the chairmanship of the Grand Metropolitan Group, does not conform to the tycoon stereotype.

Slight of build and diffident in manner he works with a modest staff from offices in London's Hanover Square. He does not surround himself with the customary entourage of top businessmen but relies upon a small group of executives.

The lean management and informality has often meant that Grand Met could act quickly when the occasion demanded. Decisions on many of the takeovers which marked the rapid growth of the group were taken with insolent speed—or so opponents and some observers would say.

While many businessmen have made it to the top by working a 25-hour day Sir Maxwell always professed that a four-hour day and a four-day week were enough for him. By concentrating on the important decisions he avoided getting bogged down in detail. Despite a throat illness which troubled him early last year Sir Maxwell said yesterday that his health is not a reason for his decision to step down.

He will anyway not be retiring completely but will take on the new post of group president as well as non-executive directorships with some subsidiaries.

Sir Maxwell told me that he was quite pleased to be going into partial retirement: "But I shall keep a watchful eye on the group, as I have always done."

Starting with one hotel, the Mount Royal near Marble Arch, in 1957, Sir Maxwell has since built up a group controlling more than 100 hotels around the world. They include the Amstel in Amsterdam, the Angleterre in Copenhagen, and the Carlton in Cannes.

Despite the luxurious surroundings he provided for others, Sir Maxwell himself shunned offers of a title for many years before finally accepting a knighthood in the 1981 New Year's Honours List.

Sir Maxwell may be planning to continue some of his business interests, but he should have more time for his hobbies, which include stamp collecting, gardening, and antiques.

High society

Fresh from unionising that most proletarian of sports Rugby League football, the Association of Professional, Executive, Clerical and Computer Staff is now pursuing its recruitment campaign at the other end of the social spectrum.

Aristocratic connections, as the union's journal says, have been established with the organisation of two new groups in Winchester and Wiltshire.

The first connection may be a bit distant, formed as it is, by the recruitment of staff at Debrett's Ancestral Research offices. But West of England organiser Ike Trott has bearded the aristocratic lions of Longleat, no less.

Not that the Marquess of Bath's son, Lord Christopher Thynne, had noticed when I rang him yesterday: "News to me," he said. "Might be something to do with the forestry, though."

Trott, however, has recruited four members of the estate staff and is optimistically seeking an agreement on APEX's recognition with estate manager R. B. Charles.

"Longleat staff have a number of industrial problems and the attitudes of management towards terms and conditions of employment seem to be almost as old as Longleat itself," Trott says.

In circulation

Derek Robinson (Red Robbo) the militant Midlander summarily sacked by Sir Michael Edwardes, the BL chairman, has found new employment after nearly three years.

He shows no bitterness about his rejection by a mass meeting of Longbridge workers whom he asked to back him against dismissal. He retains not only his faith but his optimism . . . as he must in his new job as circulation representative in the Midlands for the Communist daily newspaper the Morning Star. "Its full time employment but it does not rank with the pay of capitalist papers like the FT" he told me cheerfully.

Since his dismissal in November 1979 as convenor at BL's biggest plant he has applied for numerous jobs. Meanwhile at Longbridge, which used to employ around 20,000 workers in Robbo's day the workforce has been halved and output has risen dramatically.

Robbo sees his new role as getting support from full-time union officials to make contacts with shop stewards. The obvious target will be his old stamping ground, Longbridge.

But the full-time engineering official there is none other than Mr Denis Duffy, brother of Robbo's arch-opponent, the president Mr Terry Duffy. Duffy defeated Robinson in a bitter election for the job.

Sole aim

From Cambridge, Massachusetts comes the ultimate in industrial strategies. The Wall Street Journal tersely reports: "Stride Rite Corp said it discontinued operations at its shoe-bottoming plant in Newburyport, Mass, to improve productivity."

Jumbo style

During and since the rail strike some sectors of the transport business have been taking pains to improve the lot of travellers, as a colleague has discovered.

Passengers were settled comfortably into their seats when speakers crackled: "Welcome aboard and good afternoon ladies and gentlemen. In a few moments your hostess will be bringing round a tariff of the refreshments we have available. After that we are planning to show you a film for your entertainment. We had a little trouble with the equipment on the outward journey but we think it is fixed now so we hope that you will be able to enjoy the movie."

"May we remind you that the toilet is situated to the rear. We expect to have you with us for approximately three and a half hours. Our estimated time of arrival is 17.30 hours. We will be travelling at a speed of between 60 and 70 miles an hour. . . ."

Eh? What kind of flight is this? Well, here is another clue: "We regret that the people coming down from Leeds this morning were rather hungry and ate most of the food. So there could be a shortage of sandwiches."

Our passenger had boarded a bus with Jumbo-sized aspirations run by a Wallace Arnold subsidiary on the London-Leeds-Harrogate trip.

You will not be pampered by movies, refreshments, and lavatories, on the nationalised coaches. But the Wallace Arnold Rapide is setting new standards in give the comfort of flying without the clear air turbulence.

Already the appearance of competition has forced the nationalised coaches to lower their prices. Now isn't private enterprise a wonderful thing?

Last will

A reader says she gave up expecting Home Secretary William Whitelaw to show a sense of urgency about anything after she discovered his name is an anagram of "Wait-a-while, Will'm."

Observer

ECONOMIC VIEWPOINT

Clues to world stagnation

By Samuel Brittan

IT DOES not take any special research to show that the world economy has taken a turn for the worse since the first oil shock of 1973. The table shows that for both the world as a whole, and for the developed countries, the growth of output in the last period of relative boom, 1975-79, was a good deal less than the average for 1960-73, taking the boom and recession years all together.

Judging by experience so far, we will be lucky to perform as well in the trade cycle which began with the second oil shock of 1979, as we did in 1973-79. With low growth have come rising unemployment, protectionist pressures and heightened political and social tensions—all of which are themselves a hindrance to recovery.

The variations between the experiences of different parts of the world have not been so much discussed. The following conclusions emerge from a cursory glance at the table:

1—The growth slowdown has been greater in Europe than in the U.S. Before 1973 Europe had a faster growth rate than the U.S. After 1973 the relative performance was reversed. It is true that the U.S. has had more severe recessions; but taking whole cycles together, the U.S. has clearly come out ahead.

2—Japan has lost the overwhelming growth lead of earlier periods; but still seems to be outperforming the other developed countries.

3—The non-oil developing countries have, despite their much-advertised debt problems, weathered recent shocks better

U.S. real earnings per hour are lower than 10 years ago

than the industrial countries. The 1973 oil shock hardly seems to have affected their growth rates at all. Even though they have experienced a substantial setback since 1979, the developing countries have still been growing faster than the already industrialised ones. Among the developing countries, the East Asian and Pacific Region countries (e.g. Korea, Hong Kong, Malaysia) have been the star performers and have been maintaining growth rates averaging 5 to 6 per cent even

GROWTH OF REAL GDP

(Annual average compound growth rates)

	Golden age 1960/1973	First oil shock 1973/1975	Recovery 1975/1979	Second oil shock 1979/1981	Recovery Estimate 1981/1982	Recovery Forecast 1982/1987
World	5.5	1.7	4.3	1.8	1.2	3.4
Developed countries	5.0	0.3	4.0	1.3	0.6	3.1
U.S.	4.1	—0.8	4.5	0.9	—0.4	3.4
Japan	9.9	0.6	5.2	3.6	2.5	4.3
Europe	4.8	0.8	3.4	0.8	0.8	2.6
Germany	4.5	—0.7	4.0	0.8	0.6	2.6
Developing countries	6.3	4.0	5.4	2.4	1.5	4.3
Oil exporting	8.2	2.3	5.4	0.3	0.4	5.7
Other developing	5.5	4.8	5.4	3.0	1.7	3.7
Centrally planned economies	7.2	5.6	4.6	3.2	3.2	3.5

Source: World Economic Outlook, Wharton Econometric Associates

in the past two or three years.

There is a more stable difference between American and European performance not revealed by the simple growth tables. This is that the rise in unemployment has been very much greater in Europe than in the U.S. On the other hand, the American productivity performance has been much worse than the European. The growth of U.S. output per employee which averaged 3 per cent in the early 1960s had fallen to 0.3 per cent in the late 1970s. In Germany and France the productivity drop was from about 4½ per cent to 3 per cent. Even the UK had a better productivity performance than the U.S.—and this was well before the 1981-82 shakeout.

There is a strong hint here that countries have had a choice between absorbing the shocks of the last decade in the form of productivity slowdowns or unemployment increases. This is also the implicit conclusion of Herbert Giersch and Frank Wolter in a Paper being presented at a Royal Economic Society Conference today on the Recent Slowdown in Productivity Growth in Advanced Economies.

These authors relate the differing reactions to different degrees of "real wage rigidity" on the two sides of the Atlantic. Despite the present recession-induced unemployment the U.S. labour market has been able to absorb over the last decade a rapid increase in new entrants, youths and women, but at the expense of lower real wages and low productivity growth. Average real earnings per hour for U.S. private sector workers were lower last year than ten years before and have not shown any net growth since 1967. All the rise in American output in recent years has come from increases in the employment of labour with hardly any net gain in productivity or real earnings.

Brittan's rule: "If anything can be misunderstood it will be misunderstood" applies particularly to this finding, which does not justify Luddite conclusions. If workers in UK nationalised industries increase restrictive practices and insist on overmanning new machines, they will reduce employment, not increase it. The inference rather is that if customary or historical ideas about real wage increases are insisted upon in the face of adverse external changes, then employers will have no option but to save labour in every way they can. On the other hand, if there is more readiness to allow real wages to rise and fall with market conditions, then it is easier for employers to absorb increases in the labour force and not insist quite so much on labour-saving innovation before the existing workforce is reasonably fully employed.

What is the nature of the "adverse" external changes which have shown themselves in varying mixtures of unemployment increase and productivity slowdown? Edward Denison of the Brookings Institution shows in another Paper for today's Conference that the average growth of U.S. output in the "non-residential business sector" fell by 1.8 per cent per annum between 1948-73 and 1973-81.

Mr Denison is a distinguished "growth accountant" who has endeavoured to quantify the effects of specific factors such as capital growth, the age-sex balance of the working population, economies of scale and even environmental protection to boosting or retarding growth. He has previously found that the most significant determinant of growth rates was an unidentified "residual;" and he has now found that the deterioration in that residual is the most important factor behind the growth slowdown.

In the past, Mr Denison associated the residual with "advances in knowledge" (management and organisational as well as technological). But he is understandably reluctant to associate the growth slowdown with a less rapid advance of knowledge (or even an advance in ignorance).

The Giersch Paper, and one by the Swedish economist, Assar Lindbeck, do suggest some hypotheses. Both papers focus on the dramatic macroeconomic disturbances of the 1970s—such as the oil price increases, the Great Inflation and tight money policies introduced to meet it. Not only were these disturbances unfavourable to growth, but in Lindbeck's words, "they also revealed and accentuated the gradual deterioration of the functioning of our economic and political system, and brought about a premature end to some of the historically uniquely favourable circumstances for productivity growth."

The most systematic summary is attempted by Prof Giersch. He lists several factors which made for rapid advance and investment in Europe in the 1960s, but are no longer with us.

These include the gains from catching up with best-practice U.S. methods; simple quantitative growth which encouraged economies of scale; a favourable attitude to technical progress; cheap energy; little worry about the environment, and plentiful immigrant labour. In addition, there were "Keynesian" demand management policies which allowed, for a time, rates of interest to be maintained well below the expected return on business investment. The last named policy inevitably collapsed in adverse circumstances into accelerating inflation; energy and other exhaustible resources became scarcer and dearer; there was less room for catching up with the U.S.; and attention shifted to environmental protection and the "quality of growth" in general.

Above all, a period of growth with fairly stable relative prices, gave way to large relative price shifts, as well as general inflation, which made business more uncertain and pessimistic. The resultant movement of the terms of trade against labour, and towards

The signs are that this penny is beginning to drop

other factors of production, such as the suppliers of energy and capital, required a slower growth of real wages, or even a fall.

The struggle of organised labour to maintain customary real wage advances triggered off unemployment and general stagnation. These underlying long-term influences have been aggravated by an "overshooting" of the real rates of interest due to the unwillingness of investors to believe that long-run inflation is coming down.

A period of high unemployment, whether due to excessive real wages or the transitional cost of reducing inflation or both together, will, if it lasts long enough, itself lead to the scrapping of capital equipment and an atrophy of human skills and work attitudes. Thus, high actual rates of unemployment breed high equilibrium rates—a phenomenon which it is now fashionable to call "hysteresia."

An expansion based on low real rates of interest and rising real wages would—even if it were temporarily possible—lead mainly to even further substitution of capital for labour. An enduring improvement requires a switch from labour-saving to capital-saving investment. This requires in its turn lower real wages per unit of effort (not necessarily a lower total wage bill) and no artificial downward manipulation of interest rates, beyond the hoped-for elimination of the inflationary premium in the marketplace.

Unemployment in Britain is almost certainly above the minimum consistent with non-accelerating inflation (or NAIRU as it is nowadays called). The one kind of boost to demand which will provide long-term benefits and help reduce the NAIRU itself is that associated with lower costs per unit of labour employed.

When I want to tease some of my colleagues, I advocate a selective financial incentive for employers who will cut wages. A more realistic proposal along the same lines would be to remove the employers' national insurance surcharge—and perhaps give an element of wage subsidy—to companies which add to their labour force without increasing their costs per unit of labour or per unit of output. (There is something to be said for each alternative.)

Taking away the learned jargon and the political wrapping, what is the message of the studies? It is surely, that many people's wages are too high. This is nothing to do with sermons against inflation; for it is real wages, after allowing for price changes, which are out of line. The signs that this particular penny is beginning to drop—however few people will admit it—provide a much better hope for an enduring recovery than the present attempts to ease back nominal interest rates on both sides of the Atlantic.

Lombard

Britain's financial nest-egg abroad

By John Plender

WHEN THE present British Government scrapped exchange controls late in 1979 the move was greeted with near-euphoria in the City. Partly because the City is economically liberal and forever internationally minded: the freedom to invest other people's money in foreign markets has always been an article of faith in the Square Mile.

But the arrival of North Sea oil provided additional ammunition for the proponents of abolition. Investing Britain's oil revenues overseas was expected to provide a future source of income for the day when the oil started to run down. A further advantage was that net portfolio outflows would help counterbalance the rise in the sterling exchange rate, which threatened to undermine British industry's profitability.

Since exchange controls have gone British portfolio investment overseas has risen spectacularly as fund managers have taken the opportunity to diversify. And with the jobless total now touching 3.2m Mr Arthur Scargill is cursing City whizz-kids who put his miners' money into foreign real estate instead of job-creating investment in Britain.

Because the issue is politically charged few have stopped to ask whether the putative whizz-kids are actually making money. Yet the case for the overseas nest-egg rests heavily on two practical assumptions not much discussed when controls were originally abolished. The host countries must allow foreign investors to enjoy the return on their investments and to liquidate them if need be. And the investors have to choose securities and other assets that come up trumps.

One of the reasons why fund managers went overseas with such enthusiasm was that they could buy the kind of stocks that were in short supply in Britain. Energy and high technology were at the top of the list. Everyone wanted a stake in the powerhouse of the American economy, the sunbelt states of the South West.

Today the risks in oil exploration and high technology stocks are all too apparent. The sunbelt looks sick. And that other great standby of British overseas investors, U.S. real estate, has not proved to be wholly immune from the recession or from the pull of high real interest rates. Perhaps the British got out in time: perhaps they all bought the dollar at $2.40 to the pound. But those who frequent City lunch tables may have noticed that overseas investment has tended to be a sensitive subject lately. British gilt-edged, meantime, have been performing wondrously well.

This suggests that the market may offer a stronger corrective to the investment outflow in the short-term than Mr Scargill. It was probably inevitable that after decades of exchange controls and a period of exceptionally depressed investment returns in Britain fund managers would go overboard.

Nor is there anything new in all this. Just over a century ago when U.S. railways, the then equivalent of oil exploration stocks, were busily defaulting on their obligations, foreigners were left holding a third of the non-performing bonds. Still more salutary was the experience of France, which lost two-thirds of its net portfolio investment just before the First World War when several countries repudiated its loans.

History also puts the size of the rise in direct and portfolio investment overseas into an interesting perspective. Before 1914 Britain's total investment abroad was equivalent to its entire domestic stock of commercial capital (excluding land) and one tenth of its national income came from interest on foreign investments.

The present nest-egg falls way short of that. Note, though, that there is a widespread assumption in the City at present that the Conservatives will win the next election. If the Left, with Messrs Benn and Scargill dictating policy, come back into the race this one-off portfolio adjustment might turn into something rather different. Should the British people threaten to vote Labour, more of their pension and life assurance money would, one suspects, scramble willy-nilly for the exit.

Letters to the Editor

Risk to duty-free shops

From Mr P. G. E. Hamon

Sir,—The British Airports Authority welcomes Mr Christopher Tugendhat's reassurance (Letters July 12) that the Commission does not intend to take action against duty-free shops.

In his letter he recognises that the Commissioner has already found it necessary to remind member states of their obligation to impose customs duties and agricultural levies on non-Community goods sold in tax-free shops as a result of the European Court's "butter ships" ruling, thereby reducing EEC travellers' allowances.

The existing law on duty-free allowances covered by EEC Directive 69/169 (as amended) is recognised by legal experts as the antithesis of clarity. Commissioner Tugendhat must be aware of the inherent risk to the future of these allowances as a result of the Commission's infraction proceedings against the Federal Republic of Germany for its reluctance to abolish the "butter ships."

Due to the ambiguity of the existing Directive and regulations, the Court may well make an interpretation, which it considers to be in the Community spirit, and order the abolition of all intra-community duty-free sales. Should this happen citizens' rights would be abrogated, travel costs would rise, exports and jobs would be lost.

We have repeatedly drawn this danger to the attention of the Commission, suggesting that legislation could be proposed to regularise the position during a transitional period leading to the abolition of fiscal frontiers. Article 28 of the 6th VAT Directive already grants exemptions to certain products sold in the High Street as a transitional arrangement. This could easily be extended to cover duty-free allowances.

The Commission should grasp the nettle in order to protect citizens' rights and the credibility of the Community's democratic principles.

P. G. E. Hamon
Head of Marketing
British Airports Authority,
Gatwick Airport,
West Sussex.

Sale of British Telecom

From Mr Anthony Jacobs

Sir,—So the Government intends to sell 51 per cent of British Telecom and investors, if they are wise, should make as big an investment as they can possibly afford, for British Telecom is highly profitable and is likely to be more so in the future. However, let us not forget, as Lex has indicated (July 20) that "BT is overmanned—possibly by as much as 25 per cent."

How then can BT possibly be so profitable? Our own experience at The British School of Motoring is illuminating. Last year BT announced a 7 per cent increase and the previous year a 17 per cent increase, but for business users these figures were totally misleading. For example, the three minutes local call increased in November 1981 by 100 per cent from 5p to 10p. Furthermore, a 35 mile call costs 89p for three minutes whilst a call of similar duration to New York, a distance of 3,000 miles, costs only £1.88.

The 180 branches of BSM use the telephone to contact customers and maintain liaison with the field management. Our use is not abnormal in any way and our use has not changed. Yet our phone costs have increased from £80,000 in 1980 to an expected £150,000 in 1982, an annual compound increase of 37 per cent.

The investors should therefore recognise that BT is using its monopolistic pricing policy to disguise its gross inefficiency at the expense of British industry, and it is just remotely possible that this Government or some future one may one day do something about it.

Anthony Jacobs.
Chairman,
British School of Motoring,
81-87, Hortfield Road,
Wimbledon SW19.

Reporting the Falklands

From Mr G. Greatorex

Sir,—In your leading article (July 7) under the heading "The Falklands Inquiry," you write in respect of questions which, you claim, make the holding of the Inquiry imperative, as follows:—

"For a start, there is the business of how the signals leading up to the Argentine invasion were so badly misread, whether by the British Embassy in Buenos Aires, the Foreign Office in London or both. The inescapable fact is that the British Government machine was caught napping and a bloody war ensued."

On June 26 you published a major report by your correspondent in Buenos Aires, Hugh O'Shaughnessy, entitled "Argentina Now: Defeat, Confusion and Shame," an excerpt of which is reproduced below:—

"It is all in such marked contrast to the cavalier and light-hearted way in which General Galtieri took the fateful step of ordering the invasion of the Falklands on April 2. A man of quixotic impulses, he gave the order to invade without consulting his cabinet, with the barest minimum of notice to his colleagues in the junta, the commanders-in-chief of the navy and air force, and most importantly for his future fate, without reference to Argentina's 'parliament,' the conclave of generals."

In view of this categorical account of the ordering of the invasion in Argentina, you may consider that you owe your readers an explanation of the unqualified statements you make as quoted above, regarding the "misreading of signals" and the "inescapable fact" of being caught napping, as they are undoubtedly contradicted by Hugh O'Shaughnessy's report, so invalidating your main premise.

G. Greatorex.
89 Ambleside Gardens,
Wembley, Middlesex.

The Duke and St. Pauls

From Mr Derek Jewell

Sir,—It is your prerogative to employ critics who boast about leaving shows halfway through, as did Dominic Gill in his report (July 8) on the Duke Ellington sacred music concert at St Paul's. It is also your prerogative to allow him to throw around the word "dishonesty" without then explaining what he means by it; but you might warn him, for your own peace of mind, to watch his language.

You might also examine how much he actually knows about Duke Ellington and Duke's music. What on earth can the phrase "postwar Hollywood" mean as applied to Ellington? That he lived there, or appeared in movies, or wrote for movies, or that his act was Hollywood-like? It's the most "dishonest" piece of nonsense I've ever read as applied to Ellington. I would also be interested to know whether Gill has ever seen an Ellington sacred concert, and if so which one or ones, so that your readers can judge the validity of his standards of knowledgeable comparison for making such virulent remarks about the St Paul's one.

Gill is right, of course, to point to faults in the St Paul's presentation. As one of the four named producers, myself responsible for obtaining the services of most of the concert's leading artists (although my name remained on the credits *only* because I had no desire to torpedo the concert in its last stages of organisation when the TV production company were in effective control of it), I believe that much of the chat element of the show was fatuous, the performance of Rod Steiger hammy and TV mechanics insensitively and accident-pronely conducted.

All this was the responsibility of the TV production company, over whom I had no control whatsoever.

Even so, Gill's comment on the intrusiveness of the TV "engines"—two only of them—was ludicrously exaggerated. I could, moreover, scarcely credit—nor, I believe, would most of the audience—his comment that the "only tolerable moment" of the first half was the Wayne Sleep company's dancing. It was, indeed, excellent—but so was much else, including the singing of McHenry Boatwright and the Swingles; the piano solo by Jacques Loussier; and the feeling singing of Phyllis Hyman and Olive Simpson.

What is worse, by his totally unprofessional behaviour, Gill missed in the second half marvellous performances by Adelaide Hall, Kenny Baker and more excellent work by Phyllis Hyman and McHenry Boatwright. To avoid "dishonesty," your headline should have read "Half of Sacred Ellington/St Paul's."

Derek Jewell.
25, Spencer Road,
East Molesey, Surrey.

Cash dispensers in action

From Mr S. Dixon-Child

Sir,—As NCR is the largest supplier of cash dispensers, or automatic teller machines, in the UK, I feel Mr Dingwall (Letters, July 14) might be interested in the following facts.

There are now over 1,000 NCR ATMs installed in three of the four major clearing banks and the average number of customer operations per machine per four-week period is 6,000. The average withdrawal is £25. This indicates a total of about £150m being withdrawn through these machines every month. One can only conclude that there are a lot of satisfied customers.

S. Dixon-Child.
Director, NCR,
206, Marylebone Road,
London, NW1.

Mercantile House reveals changes in Oppenheimer deal

BY JOHN MOORE, CITY CORRESPONDENT

Mercantile House Holdings, the money broker yesterday revealed changes in the way in which its controversial £91m take-over of Oppenheimer Holdings, the Wall Street stockbroker, is to be carried out.

Under the original deal, Electra Investment Trust, which already holds 2.7 per cent of Mercantile and an equity interest in Oppenheimer, was to receive 4.5m new ordinary Mercantile shares in respect of its 20 per cent stake in Oppenheimer. Once the deal was completed Electra's stake in Mercantile could have risen from 2.7 per cent to 14.9 per cent of the enlarged share capital.

Now, against a background of institutional shareholder unrest about the heavy involvement of Glove Investment Trust and its sister trust, Electra, in the Oppenheimer deal, Electra has decided to sell 1.45m shares in Mercantile out of the 4.5m Mercantile shares it will receive as its consideration for its Oppenheimer shareholding.

The block of 1.45m shares is to be purchased by S. G. Warburg, advisers to Mercantile at 375p per share as part of an offer for sale to raise £22.5m.

The offer for sale by S. G. Warburg of 6m ordinary shares of 25p each of Mercantile will be at a price of 375p per share and has been underwritten in the market.

It will comprise 4.55m new ordinary shares to be subscribed in cash by S. G. Warburg, which will provide £17.1m (before expenses) of the cash consideration for the acquisition and the 1.45m block of ordinary shares to be purchased from Electra.

An extraordinary general meeting of shareholders has been called to approve the purchase of Oppenheimer by Mercantile on August 13.

Dealings in the shares of Mercantile, which were suspended in June, will commence on August 26.

S. G. Warburg said yesterday that Electra had changed its plans because its resulting holding in Mercantile would have been, "quite heavy in relation to the total size of the trust. It was reasonable to expect them to take an opportunity to turn some of their existing holding into cash.

"It is not in their interest or in the interest of any shareholder that this is done in a disorderly way through the market. Since the original announcement we have discussed it with them that they might want to join in the offer for sale."

For the year ended April 30 1982 pre-tax profits of Mercantile virtually doubled from £7.33m to £14.4m on turnover up by £34.48m to £73.15m.

Earnings per 25p share were much higher at 41.08p, against 23.35p, and the dividend is effectively boosted from an adjusted 8.75p to 14p net with a final distribution of 10.5p.

Results contain a full year's figures for Rouse Woodstock Inc and the William Street Brokers group and eight months for Rouse Woodstock Limited and the Cosmorex group.

Mr R. R. St J. Barkshire, chairman, tells members in his review that the current year has started satisfactorily and the directors believe that the existing parts of the group have considerable scope for expansion and growth.

He adds that these prospects will be "very much enhanced by the acquisition of Oppenheimer. We look forward to the future with confidence."

At the interim stage, profits were well ahead from £2.85m to £6.11m, and the directors were confident that the full year's results would reflect the satisfactory trading conditions.

On a pro-forma basis, combining results of Mercantile and Oppenheimer, for the year ended January 31 1982, pre-tax profits would amount to £34.39m.

A divisional analysis of turnover and pre-tax profits of Mercantile for 1981-82 shows: money broking £43.82m (£27.1m) and £9.11m (£4.89m); commodity broking £7.02m (£2.47m) and £1.26m loss (£390,000 loss); U.S. securities broking £20.33m (£7.31m) and £5.52m profit (£1.76m); other financial services £1.98m (£1.81m) and £1.04m (£1.07m).

The same figures split geographically shows: UK: £19.08m (£14.31m) and £4.64m (£3.59m); Europe £3.91m (£365,000) and £1.2m (£163,000); North America £43.59m (£19.88m) and 7.71m (£3.89m); Middle and Far East £6.57m (£4.12m) and £856,000 (£683,000).

Tax charge for the 12 months came to £7.49m, compared with £3.68m, and after minority interests of £14,000 (£24,000) the available balance came through ahead from £3.63m to £6.9m. Dividends will absorb £2.46m, against a previous £1.23m.

Mr Barkshire says that results from the moneybroking division were again very satisfactory, with the London and New York offices continuing to be the major elements although every part of this sector increased their profits.

The chairman says that the concentration of this industry into fewer larger units has continued and that this trend has been accelerated by the move towards volume discounts in many centres.

The U.S. securities broking side again increased its profit contribution, the chairman states. William Street Brokers moved to new larger premises and Dahlke & Co Inc also moved into the same location following its acquisition last August.

These new premises have provided the facilities, Mr Barkshire says, to enable Fundamental Brokers Inc to increase the range of instruments in which it offers a service and for Dahlke to expand its operations into the longer end of the municipal bond market.

The commodity broking division continued its policy of building a worldwide network which is now trading under the name of Rouse Woodstock. The chairman says that expansion of these interests has meant "considerable extra expenditure on both staff and facilities and these have not yet been in place long enough to generate significant additional commission income."

He adds that while it is unlikely that turnover in the commodity markets will markedly increase until world trade recovers, the directors believe that the network that has been built will soon generate enough income to cover costs and that it will make a significant contribution to group profits once more favourable conditions return.

Mr Barkshire states that the directors also believe that the acquisition of Oppenheimer will create additional commission income both from this company's retail and institutional outlets and from the increased range of commodity services that it will be able to offer.

As at April 30 Mercantile's balance sheet shows fixed assets of £11.35m (£5.47m); net current liabilities of £1.78m (£897,000) and shareholders' funds £30.89m (£12.15m).

In the notes to the accounts the chairman's emoluments are shown as £64,196 (£41,029) and the highest paid director £80,178 (£41,321).

Meeting, 69 Cannon Street, EC, on August 13 at 11.30 am.

See Lex

HIGHLIGHTS

After briefly looking at the two new gilt-edged issues Lex moves on to the main company news stories of the day. Mercantile House has come home with a near doubling in pre-tax profits and the underwriting has been completed of its placement of stock in respect of the Oppenheimer takeover. British Land has done well, with pre-tax profits up a third to £6.3m and there is an asset revaluation throwing up a 9 per cent surplus. Meanwhile at Gestetner the company is still under pressure to improve its margins while modernising its products. Finally the British Airports Authority plans to raise some money through the issue of some form of non-equity performance bond. On the inside pages Birmid Qualcast has managed to drag itself into the black at the interim stage with a pre-tax profit of £427,000 against a loss of £1.8m.

'Encouraging' first half rise to £1.9m by Drake & Scull

AN ENCOURAGING rise from £1.36m to £1.93m in pre-tax profits has been produced at Drake & Scull, for the six months to April 30, 1982, according to Sir Monty Finniston, chairman.

The improvement, in real terms, is encouraging, says Sir Monty, since it has been achieved on a comparable value of production. Turnover for the period was down from £54.98m to £54.68m.

In line with the forecast made at the year-end, the interim dividend of this electrical, mechanical and general engineer, is held at 1.25p. Last year a total of 3p was paid from pre-tax profits of £3.6m on turnover of £115.31m.

Earnings per 1p share were given as rising from 3.6p to 4.7p.

Sir Monty says he is in no doubt of the group's ability to progress, but adds that he would be unwise to forecast a year end result for an international contracting business which can be affected by unpredictable external economic influence and contract settlements.

However, the directors are confident that last year's final dividend of 1.75p will be at least equalled.

Drake and Scull mechanical and electrical contracting sectors have continued to trade satisfactorily both in the UK and overseas. Opportunities exist for greater volumes of work, but in the present highly competitive environment Sir Monty says the company has resisted the temptation to take on work at sub-economic levels.

Confidence in the future, he says, is such that the policy of decentralisation continues with the setting up of several new regional operations.

Continued progress is reported in loss elimination by Sturtevant.

Tax this time took £864,000, against £550,000, which included an overseas charge of £725,000 (£294,000).

After increased minorities of £115,000 (£48,000) and extraordinary debits last time of £3,000, attributable profits were ahead from £766,000 to £954,000.

There was an increased transfer to reserves of £630,000, compared with £442,000. Currency gains were lower at £56,000 (£77,000) and were also taken into reserves.

● comment

Drake & Scull continues to benefit from its strong net cash position which is some £0.7m up on the £6m seen at year end. This derives from stringent control of work in progress, advance payments of around £3.5m, and a reduction of overseas overdrafts by over £0.3m. As a result interest receivable of £0.39m and a swing in the share of associates to a small profit of £56,000, accounts for around a half of the pre-tax advance. With no sign of a pick up in UK demand the group must seek to expand its share of an oversupplied construction market. In its other main market, the Middle East, demand is good. Though South East Asia is kept in loss by establishment costs it is this region where the group sees its future growth. Even allowing for the flexibility of accounting in a contracting business the group has clearly found the right formula for further steady if not spectacular advance. Yesterday the shares dipped ½p to 66½p for a yield of 6.6 per cent and a repeat of the midyear performance in the second half would give a prospective fully taxed p/e in line with the sector average at 7.

Rothmans' dividend

The final dividend proposed by Rothmans International for the year to March 31 1982 is up from 2.65p to 3.25p net for an increased total of 4.4p, compared with 3.65p. This corrects the figure given in yesterday's report and dividend table.

First half satisfactory at Union Discount

A VERY satisfactory profit for the first half of 1982 was reported by the directors of the Union Discount Co. of London. The interim dividend has been lifted from 9p to 11p

The directors say the results benefited from the company's large holdings and active turnover of bank acceptances and sterling certificates of deposit.

The directors added that the company also benefited from the maturing of that part of its holding in British government variable rate stock

● comment

Like Alexanders, which reported on Monday, the Union has clearly had a most rewarding first half, with interest rates having been on a gently declining trend. Its dividend increase looks a straight foretaste of what it expects to pay at the final whereas Alexander's statement was rather more cautious. Conditions in the money markets have been unusual for the past six months with the unwinding of the effects of the Civil Service strike, but it is clear enough—under the Bank of England's new arrangements—that the sheer volume of bills traded is making a contribution to the houses' profits, irrespective of the direction of interest rates. The fixed rate gilt-edged market is very much a place for occasional excursions: all in all the quality of earnings at the better houses is a good deal higher than it was. This does not seem to be entirely recognised in the ratings of the shares: Union is on an historic yield of 8.5 per cent, and Alexanders 11.2 per cent.

Howard Tenens and Crest talks break up

Howard Tenens, the distribution and engineering group, and Crest International property company, have suspended their discussions about an offer to be made by Tenens for Crest. A fortnight ago it was announced that Tenens was expecting to give details of a share exchange offer for Crest, whose shares are quoted on the USM.

Crest director Mr Tom Farmer said yesterday that the decision to suspend the talks was taken "by the boards of both companies based purely on commercial logic."

Howard Tenens was yesterday refusing to give any comments on the mater.

In March this year G. M. Firth, steel stockholders, took a 12.2 per cent stake in Tenens. Mr Ian Waserman, a director of Firth, said yesterday that he was pleased at the suspension of talks between Tenens and Crest, and that, had an offer been made by Tenens for Crest he "would have attempted to block it with the aid of other institutions." Mr Wasserman did not rule out the possibility of increasing Firth's stake in Tenens' equity.

Yesterday Crest reported pre-tax profits for the half year to June 1982 of £265,000, against £250,000 in the comparable period. As before, no interim dividend is to be paid but Crest intends that the total dividend will be at least equivalent to last year's payout. Following yesterday's announcements Crest's shares fell 1p to 11p. Howard Tenens' shares were unchanged at 39p.

Holt Lloyd 'disappointed' after 20 weeks

After 20 weeks trading in the current year, group results at Holt Lloyd International were "disappointing," Mr Tom Heywood, the chairman and chief executive, told the annual meeting.

He said that although most of its overseas companies continued to progress, conditions in the UK remained difficult. "There are no signs yet of any upturn, nor of the end of the recession, and trading remains difficult," he added.

Consequently, despite an anticipated higher contribution from overseas, he said half-year profits would be lower than for the same period last year.

Britannic improvement in new life

Improved new business results in both life branches in the first half of the year are reported by the Britannic Assurance.

New annual premiums in the ordinary branch rose from £2.46m to £2.79m, while single premiums advanced by one-third to £275,000. New sums assured were £108m against £85m.

Business resumed its upward trend in the industrial branch where new annual premiums improved from £11.5m to £11.89m. New sums assured rose from £176m to £214m.

Rise to £6.3m by British Land

A MARKED rise in pre-tax surplus was shown by the British Land Company, property investor and developer, from £4.78m to £6.33m for the year to March 31 1982.

At the interim stage profits improved from £1.66m to £2.4m, but the directors said that trading profits for the half year were not always indicative of the year as a whole. They said that the trend of improvement should not be taken as a basis for the full year's results.

At half time the directors also made a dividend forecast, stating that, with the continuing increase in net rental income, they intended to recommend a doubling of the dividend from 0.25p to 0.5p, which has been carried out at the year end.

Earnings per 25p share for the year are given as slipping from 6.8p to 5.9p on a weighted average basis at the attributable level. At the pre-tax level they rose from 5.1p to 6p.

Pre-tax profits were struck after interest charges up from £10.59m to £11.49m. There was a tax charge this time of £221,000, compared with a previous credit of £1.57m.

At the year end the balance sheet showed a rise in shareholders' funds from £168.3m to £189.2m. There was an indicated excess of property valuation of £24.4m (£19.6m) which left net assets higher at £213.6m, against £187.9m.

On a per share basis net assets were given as rising from 180p to 205p and fully diluted as improving from 145p to 164p.

The total indicated value of the group's properties on an open market basis is £280m, which includes properties held by dealing subsidiaries valued at £43.6m and development properties at £5.1m

See Lex

INTEREUROPE

Intereurope, a Wokingham-based company which publishes technical manuals, is seeking a listing on the Unlisted Securities Market and a full Stock Exchange listing as reported yesterday.

Eagle Star waiting for Allianz moves

Eagle Star Holdings has decided not to contest the EEC Commission's rejection of its complaint against the acquisition by the leading German insurance group Allianz Versicherungs of a 28 per cent equity holding.

Eagle Star now awaits moves from Allianz on the reopening of discussions on the future.

Allianz acquired its stake in June last year through a "dawn raid" and a tender offer. Eagle Star complained of this action to the Office of Fair Trading in London, the Federal Cartel Office in Berlin and the EEC Commission in Brussels, all to no avail.

At a meeting between Eagle Star and Allianz in January of this year, Allianz made it clear that if the EEC cleared its acquisition, then it would like to discuss with Eagle Star its ideas on suggested areas of co-operation. The way is now clear for those discussions to begin.

Eagle Star, in rejecting last year's tender offer bid, revealed that talks had taken place between the two companies ahead of the Allianz acquisition. But Eagle Star at the time had concluded that Allianz suggestions would be of little benefit to Eagle Star and its development.

Mr Graham Lockwood, a general manager of Eagle Star, said that he could not comment on any future moves until the company had heard Allianz's ideas. Allianz is not yet prepared to disclose its plans, but the UK market expects a full bid in due course.

£100m bulldog bond priced at 98.528%

The £100m 28-year bulldog bond for Australia was priced yesterday at 98.528 per cent, with a 13½ per cent coupon, by lead manager S. G. Warburg. The gross redemption yield on this partly paid issue is 13.713 per cent. This gives a premium of one point over the comparable British Government gilt-edged stock.

Tectonic calls in receivers

Tectonic, a high technology electronic component manufacturer, has called in the receivers.

Some of Tectonic's products are used in the Blowpipe and Rapier missile systems. Tectonic has a workforce of 300, and has a projected 1982/1983 turnover in excess of £7m. The receivers, Mr Maurice Withall and Mr Ipe Jacob of Thornton Baker are "hopeful" that the business can be sold as a going concern. Tectonic's financial difficulties are blamed on the recession.

Heavy demand for Bio-Isolates share offer

The recent offer for subscription by Bio-Isolates has been over-subscribed more than 14 times. Applications for some 47m shares were received for the offer of 3.17m shares at 33p.

London Venture Capital Market, which underwrote the issue, said yesterday that the allotment will be heavily tilted toward the smaller investor. "We believe 50 per cent of the issue will go to applicants for 1,000 to 20,000 shares. The balance will be allotted on a weighted ballot basis," said Mr Chander Singh, managing director of London Venture Capital.

Swansea-based Bio-Isolates has pioneered a technique for turning cheese waste into protein. The offer for subscription represents 41.2 per cent of the shares and capitalises the company at £2.54m.

W. KENT WATER

THE RECENT West Kent Water offer for sale by way of tender has been fully subscribed. The minimum price at which tenders have been allotted is £100.77 per cent and the average price of allotment is £101.13 per cent.

Improved first half for Birmid

Birmid Qualcast advanced to a pre-tax profit of £427,000 in the six months to May 1 1982, compared with a loss of £1.81m in the corresponding period of last year. Trading profit was up from £501,000 to £2.07m, on turnover down slightly from £97m to £91.57m.

The group, a holding concern with interests in the manufacture and sale of foundry products, is to pay an unchanged net interim dividend of 0.1p—last year's final was 1.4p and pre-tax profits were £1.64m.

Earnings per 25p share are stated at 0.5p (loss 2.7p) at halfway.

Despite the improvement from last year's first half, the result falls well short of the company's earlier expectations. Mr J. F. Insch, the chairman, says that the heating division continued to enjoy steady demand for its products and has achieved good results.

Further progress has been made in the elimination of losses in the engineering and electronics division. However, sales and profits in the home and garden equipment division have been lower than last year's levels, adverse weather having hit lawn mower sales.

Demand on the foundries has not been sufficient to satisfy present production capacity and losses continued to be incurred.

Interest charges for the half year came to £1.54m (£2.22m), associated companies' losses [illegible] £93,000 (£88,000), tax took £117,000 (£51,000) and extraordinary debits amounted to £342,000 (nil).

Minority interests credited £25,000 (£198,000), leaving an attributable loss of £3,000 (£1.67m).

● comment

After an encouraging recovery in the second half of last year, when its pre-tax profit reached £3.45m, Birmid has undergone a £3m relapse in the six months to May 1. Considering that the interest charge has remained stable, Potterton has done well enough roughly to match its 1981 result, and engineering losses have tapered off towards breakeven. the disappointment necessarily rests upon lawns and foundries. Given heavy promotional costs early in the season and a substandard grass crop, Birmid was bound to experience lower profits this summer. The problem will be controllable, as short-time working cuts into stocks. Foundries are a much more serious matter. Demand in the first six months was not adequate even to the group's heavily pruned capacity, and the automotive industry's attempt to cure its own stock overhang by under-production has left Birmid—and others in the foundry sector—with sharply reduced orders in the third quarter. More rationalisation here is now on the cards, and where analysts once thought in terms of a £6m pre-tax profit this year, £2m would now look quite an optimistic projection. At 23½p, the shares yield an historic 9 per cent, which is probably safe enough.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aitken Hume	4.35	Oct. 1	—	6	5.5
Assoc. Brit. Engrg.	0.28	—	0.25	0.55	0.5
Bank Leumi (UK) int.	3.15	—	3.15	—	10.15
Birmid Qualcast ...int.	0.1	Sept. 15	0.1	—	1.5
British Land	0.5	Oct. 8	0.25	0.5	0.25
Bootham Engineers int.	Nil	—	Nil	—	6
Drake & Scull ...int.	1.25	Sept. 3	1.25	—	3
Gestetner ...int.	1.25	Sept. 14	1.25	—	2.63
London Inv. Trust	0.53	—	0.53	0.88	0.88
Ldn. & Lomond Inv. int	1.7	Oct. 4	1.6	—	4
Mercantile House	†10.5	—	*6.25	14	*8.75
Midland Tst.	3.85	—	3.85	6.3	6.3
Union Discount ...int	11	Sept. 1	9	—	26

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM Stock.

Gestetner profits 11% ahead to £4.65m midway

FOR THE 26 weeks ended May 1 1982 taxable profits of Gestetner Holdings, reprographic equipment manufacturer, have moved ahead by 11 per cent from £4.19m to £4.65m from a turnover of £169.31m, against £145.24m, an increase of 17 per cent.

The interim dividend, however, is maintained at 1.25p net per 25p share—last year's final payment was 1.375p paid from pre-tax profits well down at £8.08m (£17.1m).

Mr Jonathan Gestetner, joint chairman, says the performance of the manufacturing units was disappointing, but sales organisations benefited from a wider range of products, and achieved appreciably better results.

He adds that examination into methods of manufacture and distribution is continuing and should be increasingly beneficial over the next two years.

Operating profits advanced by 19 per cent to £7.62m *(£6.39m)*, but interest charges rose by £661,000 to £3.09m, cutting the pre-tax figure to an 11 per cent increase.

The directors point out that exchange rates affect the comparison. If the figures for both years were expressed at comparable exchange rates, the increase in turnover would be 11 per cent, operating profits 24 per cent and pre-tax profits 18 per cent.

The appropriate amount in cash, directors say, in respect of scrip allotted in March 1982 is 65p per ordinary capital share issued, and 50p per "A" ordinary *non-voting capital share.*

Tax charge for the six months amounted to £2.3m, compared with £2.4m, and was split as to corporation tax £443,000 (£584,000); double tax relief £920,000 (£691,000), ACT written off £149,000 (£122,000), overseas £3.18m (£2.14m), adjustment to prior periods' provisions £550,000 credit (£246,000 debit).

After dividends of £596,000 (£594,000) the amount retained was £1.75m, against a previous £1.19m.

Basic earnings per share are shown as 4.93p (3.75p) and 3.93p (3.08p) fully diluted. On a CCA *basis pre-tax profits are turned* into losses of £879,000 (£2.27m losses) with losses per share given as 6.67p (9.79p) basic, and 4.37p (6.61p) fully diluted.

There was £3.59m *charged to* reserves, compared with £2.34m credited, mainly because of an exchange loss of £3.82m (£2.08m gain) on net overseas assets.

See Lex

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Berisfords, Bullough, C.S.C. Investment Trust, Cardinal Investment Trust, Derby Trust, Jamesons Chocolates, Ladies Pride, Y. J. Lovell, Robert H. Lowe, South African Land and Exploration, Southvaal, Vaal Reefs Exploration and Mining, Western Deep Levels.

Finals: Atlantic Assets Trust, Celestion Industries, Davy Corporation, Hampson Industries, Independent Investment, Illingworth Morris, MFI Furniture, William Ransom, Star Computer, Wellman Engineering.

FUTURE DATES

Interims—
Pratt (F.) Engineering .... July 28
River and Mercantile Trust ... July 28
River Plate and General Inv. Trust .... July 29
Stenhouse .... Aug 19

Finals—
Dixons Photographic .... July 29
Elbief .... July 23
Ingram (Harold) .... July 23
Jacksons Bourne End .... July 29
Neepsend .... July 30

Aitken Hume exceeds forecast

COMPARED WITH a forecast of £650,000, taxable profits of Aitken Hume, formerly Aberdeen Investments, expanded to £769,000 for the year ended March 31 1982, against a previous £160,000.

Gross revenue amounted to £4.62m (£195,000) and the pre-tax figure was after loan stock interest of £237,000.

The directors' forecast came last April when the company acquired three investment management concerns, Investment Intelligence (Intel), Key Fund Managers and Mutual Unit Trust Managers.

The directors now say that funds under management total more than £70m, and with a stringent control of costs recently effected mainly in the banking division, they believe the current year will show a further substantial improvement in profits.

They explain that figures for 1981-82 reflect not only substantial and successful re-organisation of the company's main divisions but progress which has been made in the banking company, Hume Corporation, "where there has been a significant development in growth and quality of the business generally and a sharp improvement in margins."

Hume is now concentrating more heavily on fee income and commission income, and over the last three months of the year directors say that these areas began to have a considerable impact on revenues. That trend continues in the current year, they add.

The dividend is increased *from 5.5p to 6p net with a final* distribution of 4.35p. Tax charge was £143,000 (£58,000)

Basic earnings per share are shown as 18.08p (5.05p)

In April, the directors said that benefits they expected to gain from the acquisitions were mainly in an increased range of services which the company would be able to offer and greater opportunities that would be available to it.

Improvement to £963,000 by London Investment Tst.

DESPITE THE depressed state of world commodity markets, London Investment Trust managed to lift pre-tax profits from £852,000 to £963,000 in the year to March 31, 1982, on turnover up from £1.95m to £2.83m. A final net dividend of 0.525p is recommended, maintaining the payout for the year at 0.875p per 5p share.

Earnings per share are stated at 1.76p (1.57p) and net tangible assets totalled more than £3.8m. Profits for the year was derived from: commodity broking £930,000 (£1.01m); property *£6,000* (£5,000); *interest and* investment income £269,000 (£94,000); associated company's profit nil (£3,000). The figures exclude any contribution from Shatkin Trading Company of Chicago, acquired in April 1982 as part of the board's policy of creating a major international financial services group.

The majority of the group's profits—£930,000 (£1.01m)—was earned by the group's principal operating subsidiary, S. Bailey Commodities, whose broking activities maintained a satisfactory level despite reduced trading volumes in the soft commodity and metals and markets, in which it has been traditionally involved.

The board anticipates that *activity* generally will at some time recover to more normal levels, which will clearly benefit the company.

Mr John Arthur, chairman, expects *the current year to be* one of great progress for the company. Shatkin and Bailey are working closely together and this has brought cost savings. The *joint development of new clients* and markets will also be an important factor.

Tax for the year took £476,000 (£452,000). finance and administration *costs* came to £242,000 (£264,000). Last year saw an extraordinary credit of £43,000.

● comment

LIT takes pains to ram home the message that it is a commodity broker and not a trader. Living purely on commission it cannot escape the effects of quiet markets but LIT believes itself apart from the switchback ride associated with commodity trading. Though Mercantile House seems to lose enough from broking. In these figures a sharp jump in investment income has come to the rescue of flagging broking profits. But since the year end LIT has paid £1.1m cash (apart from pumping out reams of its own paper) to buy Shatkin, the large Chicago broking house. The inclusion of that company (annual profits around $2m) *could transform* LIT. Aside *from* the straightforward profits contribution the link up of Shatkin and Bailey in the UK is generating extra business and substantial cost savings. But so far investors are left guessing as to what this will all mean for the bottom line. The last figures published by Shatkin were to October 1981. So the market seems to be adopting a wait and see attitude in a price of 19½p where the fully taxed historic p/e is 11½ and the yield 6½ per cent.

Associated British Engineering advances

THE DIESEL engineering and allied industries holding company Associated British Engineering reports taxable profits of £793,000 for the year ending March 31 1982 compared with *£465,000* for the previous year.

A final net dividend of 0.275p (0.25p) per 12½p share has been declared which increases the total by 10 per cent from 0.5p to 0.55p.

The report includes the results for nine months of Hirst and Mallinson and its subsidiaries, as well as the results for one month of Dawson-Keith and its subsidiaries.

The group's turnover increased from £3.11m to £16.57m while operating profits rose from *£557,000 to £1.03m*

Interest of £242,000 (£34,000) was paid, leaving profits before associate results at £783,000 (£523,000).

The turnover and operating profit was made up as follows: Diesel Power Engineering, £4.48m (£3.1m) and £571,000 (£557,000); distribution, £12.08m (nil) and £454,000 (nil).

The group reports a share of associate results of £10,000 (nil). The directors say this arose from Danway's 50 per cent holding in Danway Abu Dhabi. (Danway is a 60 per cent subsidiary of Dawson-Keith.)

Twinlock plans move to USM

Twinlock, the manufacturer of business storage and retrieval systems, is planning to seek a listing on the Unlisted Securities Market. The company's shares had previously been traded on the private market made by M. J. H. Nightingale

Those dealings ceased last Saturday. At their latest price of 20.5p, the company would be capitalised at around £4.38m. For the year ended February 1982 Twinlock reported pre-tax profits of £563,000 on sales of £29.1m.

Increased midterm loss at Bootham Engineers

Specialist engineers, Bootham Engineers, reports increased taxable losses of £146,000 for the half year to April 1982, compared with £83,000 for the same period last year.

The directors have decided not to declare an interim dividend. No interim was paid last year but a final of 6p per £1 share was declared.

Tax credits of £81,000 (£56,000) were shown, leaving attributable losses of £65,000 (£27,000).

John Rymer, chairman, says the expected recovery in UK industrial activity has been slow. He says the company's main engineering units have been able to report only slow improvement in turnover and a modest level of profitability.

However, he *says, these engineering* profits have been absorbed by losses in the group's steel fabricating company, Bootham Materials Handling. Action has been taken in the first half to contain these losses and the section has been cut back severely.

He says there are more encouraging signs of demand elsewhere and the group is to go ahead with a new workshop at Weedon.

He adds that he is confident the group will be profitable in the second half, which will lead to a small group profit for the year.

£7m upsurge takes NCR over £10m

THE introduction of new products and increased productivity contributed to a taxable profit increase, particularly in the UK, of £7.71m to £10.86m at NCR in the six months to May 1982.

This *business systems* manufacturer, a wholly-owned subsidiary of the U.S.-based NCR Corporation, reports stated earnings per share of 68p compared with 20p.

Turnover rose from £45.68m to £54.07m. Tax took more at £4.83m against £1.44m while minorities were £8,000 (£5,000).

The directors say the rate of incoming orders continues to be satisfactory.

Demand down at British Dredging

TRADING CONDITIONS in the first half of 1982 have been difficult, Mr J. Vernon, chairman of British Dredging, told members at the annual meeting.

He said demand for the company's products had been disappointing and the first half of the year was bound to reflect this.

He added that the board was continuing to make savings wherever possible. It was waiting for an upturn in market conditions — necessary for the company to make a satisfactory return on capital employed.

Single premium business soars at Royal Life

BUOYANT ANNUITY sales, a good start to its *unit-linked* business and the continued success of its school fee plan enabled Royal Life Insurance, a member of the Royal Insurance Group, to boost single premium business by one-third in the first half of the year from £13.1m to £17.6m. But new annual premiums declined slightly from £13.2m to £13.1m, because of a dull company pensions market.

Immediate annuity sales jumped 36 per cent from £4.5m to £6.14m, while sales of school fee plans improved 5 per cent from £4.66m to £4.93m. The new unit-linked operation sold £1.7m *in the first six weeks* of operations to the end of June.

Self-employed pension business was good over the period as far as annual premiums were concerned, *rising 23 per cent* from £1.06m to £1.3m. But self-employed pension single premiums dropped slightly from £1.52m to £1.49m.

Sales of mortgage related business were running at a slightly higher level than in 1981, but group pension business declined compared with last year, reflecting the slackness in the economy.

Buy-out of interests in West of England Trust

THE MANAGEMENT and employees of The West of England Trust have acquired control of the company's industrial and commercial interest from Globe Investment trust for £4m.

These West of England activities were acquired along with the more important Tyndall Group unit trusts and unit linked funds by Globe for £18m in January 1980.

Globe foreshadowed the management buy-out in its report for the year ended March 31. It said shareholders might question the appropriateness of an investment trust owning diverse trading companies unrelated to the financial sector and subject to the vagaries of their own markets.

The six-man board of West of England, led by the chairman Mr Ernest Harbottle, together with more than 130 of the 400 employees have put up 60 per cent of the funds. They have the backing of the Industrial and Commercial Finance Corporation which has put up the remaining 40 per cent.

The companies involved in the buy-out are Jordan Group, providing legal and business services to the professions; Matthias Spencer, a designer and manufacturer of cutting and loading equipment for the mining industry; and Woodberry Chillcott, a distributor of special steels, engineers tools and fastenings.

The three companies made a combined pre-tax profit of about *£500,000 last year on turnover of* £12m.

Mr B. R. Pepperall, chairman of Tyndall, remains a director of West of England, and the company will continue to buy some services from Tyndall, such as the management of its pension fund, but it is otherwise completely independent, Mr Harbottle said.

Yearling bonds total £18.35m

Yearling bonds totalling £18.35m at 12 per cent redeemable on July 27, 1983 have been issued this week by the following local authorities.

Kennet DC £0.25m; Shepway DC £0.5m; Banff and Buchan DC £0.25m; Carlisle (City of) £0.5m; Doncaster Metropolitan BC £1.35m; Norwich (City of) £0.5m; Greater London Council £2.5m; Glasgow (The City of) DC £2m; Walsall Metropolitan BC £0.5m; Bristol (City of) £1.5m; Redbridge (London Borough of) £0.5m; Chelmsford BC £0.75m; Islington (London Borough of) £1.5m; Merseyside CC £0.5m; Eastbourne BC £0.25m; Merseyside Passenger Transport Executive £0.5m; Preston BC £0.5m; Sheffield (City of) £1m; Southwark (London Borough of) £1m; Stevenage BC £1.5m; Vale Royal DC £0.5m.

Easington DC has issued £0.75m of 13¼ per cent bonds at par for redemption on July 16, 1986 and Lliw Valley (Borough of) has issued £0.5m of 13¼ per cent bonds at par for redemption on July 17, 1985.

SHARE STAKES

Belhaven Brewery Group.—Mr J. Berkley has bought 50,000 shares, increasing his holding to 875,200 shares.

Chemring.—Mr I. M. Fairfield, director, and wife have each disposed of 33,000 shares, leaving holdings 123,800 shares (5.9 per cent) and 92 shares (0.004 per cent) respectively.

Fairview Estates.—Mr J. N. D. Bickel, director, has disposed of 30,000 shares.

Continental-Industrial Trust.—The Bank of Scotland (Stanlife) London Nominees *holds* 961,180 ordinary shares and the Bank of Scotland (Stanhos) Pension Funds Nominees holds 275,000 ordinary shares.

Teru-Consulate. — I.T.C. Pension Trust jointly with I.T.C. Pension Investment hold 233,500 ordinary shares of 25p (9.98 per cent).

Edward Jones Group.—Centreway Industries has purchased 210,000 ordinary shares. Total interest stands at 810,000 ordinary shares (18.9 per cent).

Leopold Joseph Holdings—Refuge Assurance holds 196,000 ordinary shares (7.5 per cent).

Sangers Group — Norwich Union Insurance Group on July 9 sold 255,000 ordinary shares as a result of which their holding is now below 5 per cent.

Strong and Fisher—Arthur Bartfeld Group following recent additional acquisitions, is now the holder of 830,000 ordinary shares (7.56 per cent).

Beechwood—N. R. H. Graham has acquired 310,000 ordinary shares (5.04 per cent).

T. C. Harrison—J. F. Harrison, director, has sold 120,000 ordinary shares. As a result of the sale, 83,000 shares in the name of Irelrop Ltd, the non-beneficial holding of E. Harrison, has reduced by that quantity.

Hill Samuel in joint fund company

Hill Samuel Investment Management and the Travelers Corporation, the third largest U.S. stock insurance company, are to form a jointly-owned company to manage international assets for U.S. pension funds and other institutions.

The new London-based company—Travelers Hill Samuel International—will have paid-up capital of £1m, subscribed equally by the two partners, and initially will be responsible for assets exceeding $70m.

The new company will be backed by Hill Samuel's international investment management capability and supported by the marketing resources of the Travelers Corporation in the U.S.

Hill Samuel has assets equivalent to $8bn under advice or management, while Travelers has a network of U.S. offices coast-to-coast with pension fund specialists located in 13 major cities.

U.S. pension funds are investing internationally in increasing numbers. By the middle of the decade their investments overseas are expected to quadruple to $20bn, it is stated.

COOK INTERNATIONAL OFFER FOR NCC

Hambros Bank says that, in respect of its offer on behalf of Cook International Inc. for NCC Energy, acceptances have been received in respect of 16,281,190 stock units, representing approximately 44.2 per cent of the issued share capital, at the close of business yesterday.

Before the announcement of the offer, Cook already owned 17,338,735 stock units (47.1 per cent) which, together with the stock units for which acceptances have now been received, totals 33,619,925 stock units (91.3 per cent). Cook has not otherwise acquired or agreed to acquire any NCC stock units during the offer period.

The offer has now been extended and will remain open for acceptances until August 3 1982.

The following have resigned as directors of NCC: Dr P. N. Templa, El Conde de Punonrostro, Dr D. J. Morris, Sir James Whitaker, Mr G. J. Ward and Mr E. F. Gittes.

CANADIAN AND FOREIGN TRUST

SHAREHOLDERS VOTED to place Canadian and Foreign Investment Trust in members' voluntary liquidation. Shareholders are to receive units in a new unit trust, Canadian and Foreign International Unit Trust, in proportion to their holdings in Canadian and Foreign Investment Trust on the basis of four units for every ordinary and units to the value of £1 for every preference share held, based on the net asset value of Canadian and Foreign Investment Trust at July 20, 1982, opening bid and offer prices of units would be 46.4p and 49.2p.

NO PROBE

THE PROPOSED transfer of assets between Imperial Chemical Industries and BP Chemicals is not to be referred to the Monopolies Commission.

QUEENS MOAT SALES

Queens Moat Houses has sold the Plough Hotel, Cheltenham, short lease to the new town centre developers. It has also completed the sale of the seasonal 14-bedroom Wherry Hotel, Oulton Broad, near Lowestoft, Suffolk, for £255,000.

These minor disposals—the Plough Hotel was no longer trading—fall in line with the company policy of providing hotels which offer accommodation where the majority of rooms have a private bath.

The group now consists of 49 hotels with 8,539 bedrooms of which 94 per cent have private facilities.

The company has applied for planning permission to convert the rear of the Epping Forest Hotel, Epping, Essex, to a complex containing a shopping precinct, offices and a public house with restaurant.

BP COMMUNICATIONS REORGANISATION

British Petroleum has brought together its international group of computer service and telecommunications companies into a single business, Scicon International.

The move reflects the growing importance to BP of information technology and communications.

J. SMURFIT

The Jefferson Smurfit Group, paper and packaging concern, yesterday announced that a definitive agreement had been signed with the Diamond International Corporation of New York, a forestry products group, for the purchase of four of Diamond's packaging, container, paper board and graphic arts divisions.

The purchase has been made by Smurfit in a joint venture with Clark Holdings of Chicago for about $80m in cash.

SHARE STAKES

Leopold Joseph Holdings—Robin Herbert, director, acquired an interest of 100,000 ordinary.

Cambrian and General Securities—Ivan F. Boesky, chairman, has purchased 122,500 ordinary shares bringing his holding to 5.71 per cent ordinary shares and 66.75 per cent capital shares. Combined, these holdings represent 24.02 per cent of voting rights of the company.

John Carr (Doncaster)—P. J. Carr, director, sold 50,000 ordinary. F. Ward, director, sold 3,500 ordinary shares.

Aberdeen Trust—Airways pension fund trustees have acquired 710,000 ordinary units (12.13 per cent) and now hold 4,847,067 ordinary stock units (14.54 per cent).

Laporte Industries (Holdings)—Kuwait Investment Office holds 2.79m ordinary shares.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1981							
2nd qtr.	99.3	89.1	92	104.7	134.5	2,482	89
3rd qtr.	100.2	90.0	104	105.5	139.1	2,641	96
4th qtr.	100.6	89.9	89	105.4	168.5	2,752	104
Dec	99.8	88.8	81	104.6	193.1	2,769	108
1982							
1st qtr.	100.4	89.5	96	106.6	141.3	2,817	112
2nd qtr.				106.3		2,878	107
Feb	100.5	89.9	101	106.1	137.6	2,818	113
March	100.8	90.0	95	106.6	142.3	2,822	111
April	101.0	89.7		105.9	146.1	2,850	110
May	102.6			105.8	145.4	2,872	107
June			—	107.0		2,911	105
July						2,926	111

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1981							
2nd qtr.	93.1	89.3	118.0	85.2	78.4	75.5	14.1
3rd qtr.	93.8	89.8	118.7	86.5	77.8	75.3	14.2
4th qtr.	93.3	90.0	121.3	86.4	82.3	75.5	11.6
Nov	93.0	90.0	121.0	86.0	82.0	76.0	13.9
Dec	93.0	90.0	120.0	87.0	81.0	75.0	7.8
1982							
1st qtr.	91.6	92.3	119.1	87.8	80.6	73.5	14.9
Jan	91.0	91.0	120.0	87.0	81.0	73.0	11.6
Feb	92.0	92.0	119.0	88.0	83.0	74.0	15.4
March	92.0	93.0	119.0	89.0	77.0	73.0	17.8
April	92.0	93.0	120.0	87.0	82.0	73.0	17.2
May							18.2

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1981							
4th qtr.	132.4	126.4	+482	+1,357	+698	99.8	23.35
Sept	129.8	129.2	+ 58	+271	+291	99.6	23.70
Oct	135.5	122.2	+396	+688	+ 74	98.9	23.32
Nov	129.7	136.3	−229	+ 63	+205	100.1	23.46
Dec	130.0	120.6	+315	+606	+419	100.4	23.35
1982							
1st qtr.	125.4	123.1	+224	+553	+652	101.0	18.97
Jan	118.9	123.4	−152	− 42	+168	101.2	23.23
Feb	124.8	120.6	+154	+264	+270	100.6	23.37
March	132.6	125.2	+222	+331	+214	101.2	18.97
April	134.6	130.3	+196	+346	+419	101.0	18.16
May	132.9	135.6	−115	+ 35	+327	100.7	17.82
June							17.70

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1981							
2nd qtr.	23.1	17.3	6.5	+4,036	1,103	1,984	12
3rd qtr.	8.1	18.1	29.7	+6,031	868	2,057	—
4th qtr.				+2,365	422	2,081	—
Oct	− 4.7	20.2	24.0	+1,425	154	690	—
Nov	7.6	17.3	20.4	+ 460	65	684	—
Dec				+ 480	203	707	—
1982							
1st qtr.				+3,126	967	2,157	
2nd qtr.	2.3	8.0	26.2	+4,485	1,344		
Jan				+ 857	356	665	
Feb	8.1	6.8	17.1	+1,101	347	698	
March	3.9	7.1	24.5	+1,168	264	794	
April	− 3.1	4.7	26.1	+1,619	437	728	
May	− 0.2	9.3	26.8	+1,627	478	709	
June	+10.8	10.1	25.5	+1,239	429		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1981							
2nd qtr.	202.2	225.8	219.4	294.0	277.0	245.07	97.8
3rd qtr.	209.9	235.9	224.1	299.1	278.8	260.83	90.6
4th qtr.	214.6	237.3	229.2	306.5	285.6	248.97	89.7
Nov	214.3	236.9	229.4	306.9	285.5	245.79	90.1
Dec	217.1	236.8	230.4	308.8	288.5	248.97	90.8
1982							
1st qtr.	216.9	238.0	234.3	311.6	297.7	242.40	91.1
2nd qtr.		239.5	238.2	321.5	304.1	233.46	90.3
Jan	214.1	238.9	232.9	310.6	296.1	252.94	91.1
Feb	217.0	239.9	234.4	310.7	297.2	241.77	91.5
March	218.7	235.4	235.5	313.4	299.8	242.40	90.8
April	219.6	238.7	237.0	319.7	302.6	246.84	90.0
May	222.4	237.2	238.3	322.0	305.6	237.39	88.9
June		242.7	238.2	322.9	304.1	233.46	91.1

* Not seasonally adjusted.

Buffels has a good quarter

BY KENNETH MARSTON, MINING EDITOR

IMPROVED NET profits for the June quarter are announced by the South African gold producers in the General Mining Union Corporation (Gencor) group. Outstanding among them is that of Buffelsfontein at R23.3m (£10.7m) which compares with the poor result of R12.8m in the previous three months.

Buffels' earnings have been particularly helped by reduced tax charge, but the mine still made more at the pre-tax level as a result of increased gold production and a modest increase in the gold price received in terms of South African rands.

During the latest quarter the average gold price received by the mines in the group declined by 8 per cent but this was offset in terms of rand revenue by the weakness of the South African currency against the U.S. dollar. Generally speaking, therefore, rand gold prices received show little change on those for the March quarter.

Gold prices received by the individual mines—they vary according to the timing of sales—are compared in the following table.

	June quarter $/oz	June quarter R/kg	March quarter $/oz	March quarter R/kg
Bracken	328	11,566	380	11,751
Buffels	338	11,807	367	11,436
Grootvlei	336	11,499	357	11,384
Kinross	331	11,479	363	11,478
Leslie	328	11,530	380	11,593
Marievale	334	11,503	367	11,618
St Helena	332	11,601	363	11,517
Stilfontein	331	11,580	362	11,580
Unisel	343	11,742	380	11,467
West Rand	334	11,551	371	11,698
Winkelhaak	332	11,567	371	11,701

Stilfontein's latest quarterly working profits have fallen in line with lower production and higher costs. But a half-yearly dividend from the Chemwes subsidiary together with a reduced tax charge has left the company with a higher net profit for the period.

Grootvlei has done well thanks to increased production. This reflects an improved recovery grade resulting from the start of stoping operations on the Black reef and the mining of other higher grade areas carried out in order to offset the effects on profits of the low gold prices.

Kinross has suffered an abnormal increase in costs because technical problems at its reduction plant have made it necessary to toll mill rock at the Bracken Mines plant. But a reduced tax charge has left Kinross with a higher net profit for the quarter.

The new Beisa uranium-gold mine which is now controlled by St Helena has been hampered by intersections of water and underground geological faulting. Beisa incurred an operating a loss of R3.31m in the quarter but the situation is expected to improve as the operation reaches full production.

In order to protect themselves against falling gold prices both Bracken and Marievale have been selling forward a portion of their gold production but, as pointed out here yesterday in the case of Western Areas, the mines will lose the benefits of any rise in gold prices as far as the production covered by these hedging sales is concerned.

Despite state aid, the veteran West Rand Consolidated has made a further loss. As from the beginning of next year it will cease to be classified as an assisted mine and unless there is a substantial recovery in the gold price the low grade producer may face closure.

The latest quarterly loss of West Rand Consolidated together with the net profits of the other mines in the Gencor group are compared in the following table.

	June qtr R000	March qtr R000	Dec qtr R000
Bracken	1,616	1,222	2,278
Buffels	23,289	12,799	27,304
Grootvlei	4,813	4,043	6,943
Kinross	8,513	6,927	8,460
Leslie	1,580	1,622	1,797
Marievale	221	157	715
St. Helena	22,159	23,518	*35,645
Stilfontein	9,770	6,433	14,621
Unisel	6,691	6,024	11,533
W. Rand Cons	†¶197	†¶1,436	¶2,925
Winkelhaak	10,586	9,849	11,640

† Loss. ¶ After receipt of State aid. * Includes Beisa.

Philippines aid plan for mines

THE GOVERNOR of the Central Bank in the Philippines, Mr Jaime Laya, has said that the copper companies there have agreed to a compromise support programme, reports Leo Gonzaga from Manila.

They will sell all production for the second half of this year and half the output for the first half of 1983 to the state-owned National Development Company (NDC) at a fixed price of 75 cents per pound compared with current market rates of 67 cents or so.

NDC will make up for the price differential by drawing upon a copper price stabilisation fund and, if necessary, the bank will arrange additional financing.

NDC will be in a position to make a profit if the copper price rises above 75 cents during the contract period

See ahead, says Mr Watson

WHILE the Australian mining industry is suffering from the general recession Mr Bruce Watson, managing director of MIM Holdings has stressed that "we are in a cyclical industry and we must take a longer view."

Speaking to a group of business people in Mount Isa he said: "Just as I believe that the mining industry did not subscribe to the "boom philosophy" of 1980, equally I think we should be careful not to be swept into the opposite situation and be carried away with gloom."

He considered that in general terms the U.S. recession was the main cause of Australia's current economic downturn, but he saw some encouraging signs. "Inflation is coming under control, (metal) stocks are low and interest rates are falling somewhat.

LONDON TRADED OPTIONS

July 21 Total Contracts 9,487 Calls 8,088 Puts 399

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP (c)	280	8	—	16	90	22	—	266p
BP (c)	300	¾	20	8	6	14	4	"
BP (c)	330	¾	—	4	—	6	2	"
BP (c)	360	¾	16	—	—	—	—	"
CU (c)	130	16	15	20	4	22	—	146p
CU (c)	140	6	68	12½	—	17	6	"
CU (c)	160	1½	—	6	11	—	—	"
Cons. Gld (c)	330	82	—	87	2	90	1	404p
Cons. Gld (c)	360	52	—	57	7	62	4	"
Cons. Gld (c)	390	20	22	28	45	37	1	"
Cons. Gld (c)	420	4	—	16	78	20	—	"
Cons. Gld (c)	460	1	—	7	10	—	—	"
Cons. Gld (c)	500	¼	—	9½	20	—	—	"
Cons. Gld (p)	330	1½	—	6	—	11	6	"
Cons. Gld (p)	360	2	—	11	9	20	91	"
Cons. Gld (p)	390	6	16	90	—	27	—	"
Cons. Gld (p)	420	18	16	36	—	45	—	"
Ctlds. (c)	70	11	9	17	—	90	—	80p
Ctlds. (c)	80	2½	11	9	6	12	2	"
Ctlds. (c)	90	1	—	3	16	7	1	"
GEC (c)	900	160	30	176	—	195	—	1055p
GEC (c)	950	110	85	192	—	150	—	"
GEC (c)	1000	60	—	85	1	108	—	"
GEC (c)	1100	4	—	40	1	68	35	"
GEC (p)	950	1	—	8	—	23	3	"
GEC (p)	1000	2	—	20	2	38	3	"
Gr'd Met. (c)	200	48	—	53	—	58	5	248p
Gr'd Met. (c)	914	34	—	39	6	44	—	"
Gr'd Met. (c)	220	98	6	34	1	39	2	"
Gr'd Met. (c)	240	8	7	19	31	23	4	"
Gr'd Met. (p)	200	½	—	3	—	3	7	"
Gr'd Met. (p)	220	1	—	6	—	6	6	"
Gr'd Met. (p)	240	4	—	9	1	12	30	"
ICI (c)	300	9	1	99	—	32	—	304p
ICI (c)	330	2	—	9	2	16	1	"
ICI (p)	280	1	—	5	40	8	—	"
ICI (p)	300	4	—	11	16	18	—	"
ICI (p)	330	98	—	32	1	38	—	"
ICI (p)	360	58	—	29	3	—	—	"
Land Sec. (c)	980	6	46	20	19	97	—	282p
Land Sec. (c)	300	¾	—	10	10	16	—	"
Mks & Sp. (c)	140	26	3	29	—	32	—	168p
Mks & Sp. (c)	180	3½	—	11	20	18	—	"
Shell (c)	390	13	45	28	—	38	6	400p
Shell (c)	420	2½	1	17	—	25	—	"
Shell (p)	390	3	6	15	—	19	—	"
Shell (p)	420	20	4	28	3	34	—	"
		August		November		February		
Barclays (p)	350	¾	—	8	—	8	5	388p
Barclays (p)	360	3	24	10	1	12	9	"
Barclays (p)	385	8	—	13	—	25	6	"
Imperial (c)	90	10	5	14	—	17	—	100p
Imperial (c)	100	3	5	6	9	21½	10	"
Imperial (c)	110	¼	—	3	20	5¾	18	"
Imperial (p)	00	1	—	9	—	9	6	"
Imperial (p)	100	2½	29	5½	—	6½	—	"
Lasmo (c)	260	24	—	54	2	—	—	294p
Lasmo (c)	280	11	2	42	2	60	—	"
Lasmo (c)	300	3	3	30	3	45	—	"
Lasmo (p)	330	2	2	16	14	38	—	"
Lasmo (c)	350	—	—	8	—	18	5	"
Lonrho (c)	50	30	—	31	—	32	25	80p
Lonrho (c)	70	20	97	21	20	22	—	"
Lonrho (c)	80	10	66	12½	31	14	3	"
Lonrho (c)	90	4½	284	7	167	9	61	"
Lonrho (p)	80	1½	—	3	67	6	—	"
Lonrho (p)	90	6	20	7½	10	11	—	"
P & O (c)	120	36	—	42	3	—	—	155p
P & O (c)	130	26	2	32	—	—	—	"
P & O (c)	140	16	1	20	—	27	—	"
P & O (c)	160	4	6	9	35	13	—	"
Racal (c)	420	70	—	88	4	103	—	485p
Racal (c)	460	30	67	50	10	65	—	"
Racal (c)	500	12	92	23	55	35	—	"
Racal (p)	420	1	—	7	2	14	—	"
Racal (p)	460	6	—	13	—	20	2	"
Racal (p)	500	20	1	30	—	40	—	"
RTZ (c)	360	55	2	67	—	75	5	414p
RTZ (c)	390	27	24	42	3	52	2	"
RTZ (c)	420	7½	20	25	11	37	7	"
RTZ (c)	460	1½	—	10	8	20	5	"
RTZ (p)	420	20	3	30	10	37	—	"
Vaal Rfs. (c)	40	12	24	12½	7	13½	8	$51
Vaal Rfs. (c)	45	7½	8	8½	10	10	13	"
Vaal Rfs. (c)	50	3½	11	4½	1	6¼	3	"
Vaal Rfs. (c)	55	1	10	2½	17	—	—	"
Vaal Rfs. (c)	60	¾	8	—	—	—	—	"
Vaal Rfs. (p)	35	½	—	1	2	1¾	—	"
Vaal Rfs. (p)	40	1½	10	4	—	6½	—	"
Vaal Rfs. (p)	55	6½	—	10	5	—	—	"

C=Call P=Put

New chairman for Mettoy

Mr B. S. Hansom has been appointed chairman and chief executive of THE METTOY COMPANY from August 1. Mr R. Cooper, previously the non-executive chairman, will remain as non-executive deputy chairman. Mr P. H. Katz previously chief executive and managing director, has relinquished his executive positions with the company.

★

Mr J. D. Eccles, a director of Glynwed and Finance for Industry, has been appointed a director and chairman of CHAMBERLIN AND HILL in succession to the late Mr Robert Eades.

★

Mr David L. Burn has been appointed treasurer—Europe by MASSEY-FERGUSON, Toronto. He was formerly an Inland Revenue inspector of taxes and moved to Canada some 15 years ago. Mr Burn will be based in London.

★

The new editor of FAMILY CIRCLE is to be Ms Jill Churchill. Currently editor of Home and Freezer Digest, she is expected to take up the post in the autumn when Family Circle celebrates 18 years of publication. She replaces Ms Christine Brady, editor since the magazine's inception in 1964.

★

LAWRENCE COLLATERAL SERVICES has appointed Mr Scott Longstreth Ghormley as manager, international operations. He was previously legal counsel to Stone and Webster Engineering.

★

Mr L. R. Hilborne has been appointed to the board of EUROP ASSISTANCE, an international personal, medical and vehicle emergency service. He is general manager.

★

GATX LEASE FINANCE, London-based operation of the U.S. GATX Leasing Group, has appointed Mr Paul Bray as assistant general manager. He was with Concord Leasing as special projects manager.

★

The BRITISH FRANCHISE ASSOCIATION has appointed Mr Moshe Gerstenhaber as member of its finance committee, with special responsibilities to advance the interests of members with the British financial community. He is managing director of KK Printing (UK).

★

Mr P. Duffy has been appointed a director of TOUCHE REMNANT PENSION FUND MANAGEMENT.

★

Mr Brian B. Wood has been appointed a director of LONDON AND MIDLAND INDUSTRIALS.

★

Mr Alan F. Bacon has ceased to be joint managing director and has become executive chairman of CRAMPHORN. Mr Anthony M. St. J. Cramphorn becomes sole managing director. Mr Anthony J. Birch is resigning from the board on October 1. Mr Lionel J. Barker is appointed sales and marketing director from the same date. Mr Barker has been sales and marketing director of Rochfords House Plants for the past five years.

★

THE BOOTS COMPANY has made the following appointments to the boards of principal subsidiaries: Mr R. J. L. Davies, territorial general manager, Boots The Chemists; Mr P. Dobson, senior vice-president, Boots Drug Stores (Holdings), Toronto, Canada; Mr M. F. Ruddell, director of chemist and beauty/fashion merchandise; Mr J. T. Steel, director of public relations, and Mr B. E. Whalen, director of home and leisure merchandise, become directors of Boots The Chemists. Mr J. D. Bryer, president of Boots Pharmaceuticals, Shreveport, U.S., becomes a director of Boots International, and Mr F. A. Smith, chief project engineer becomes a director of Boots Pure Drug Company.

EUROPEAN OPTIONS EXCHANGE

Series		Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Feb. Vol.	Feb. Last	Stock
GOLD C	$300	20	71 B	16	80 B	20	90 B	$358
GOLD C	$325	4	47 B	10	63	18	69	"
GOLD C	$350	45	23	107	45 B	78	54 B	"
GOLD C	$375	28	10	112	27	—	—	"
GOLD C	$400	124	3.50	47	16	—	—	"
GOLD C	$425	1	1.50	—	—	—	—	"
GOLD P	$300	36	1	36	3	10	6	"
GOLD P	$325	99	2.50	16	7	48	18	"
GOLD P	$350	35	8.50	19	13	59	16	"
GOLD P	$375	10	19	5	26 B	—	—	"
12¾ NL 81 87-91								
C	F.110	10	3.40	3.80	3.40	300	3.80	F.113
C	F.112.50	135	1	—	—	—	—	"
C	F.115	500	0.30	4	1	—	—	"
P	F.110	—	—	30	1	—	—	"
P	F.112.50	220	0.60	—	—	—	—	"
P	F.116	—	—	100	3.10	—	—	"
12 NL 81 86-88								
C	F.102.50	4	3	—	—	—	—	F.105.60
10¼ NL 80 86-96								
C	F.100	250	8.30	—	—	—	—	F.101.70
P	F.100	—	—	30	0.80	800	1.50	"
P	F.102.50	30	1.20	30	1.80	—	—	"
11¼ NL 82 88-92								
C	F.100	—	—	200	3.50	—	—	F.103.40
C	F.102.50	50	1.30	—	—	—	—	"
C	F.105	—	—	350	1.30	—	—	"
C	F.107.50	—	—	206	0.50	85	8.70	"
P	F.102.60	—	—	30	0.80	—	—	"
P	F.105	50	2	—	—	—	—	"
10 NL 82 86-89								
C	F.97.50	—	—	—	—	250	3.40	F.99.80
C	F100	—	—	—	—	16	2.40	"
		Oct.		Jan.		Apr.		
ABN P	F.280	2	10.80	—	—	—	—	F.277.50
AKZO C	F.25	218	1.40	28	2.20	10	2.80	F.25
AKZO C	F.27.50	25	0.70	10	1	—	—	"
AKZO C	F.30	6	0.40	—	—	—	—	"
AKZO P	F.25	86	1	35	1.30	—	—	"
AKZO P	F.27.50	—	—	2	2.60	—	—	"
AMRO C	F.45	60	2.30 B	—	—	—	—	F.45.80
AMRO C	F.50	6	0.80	10	1.50	—	—	"
AMRO P	F.45	20	2.40	10	2.50	21	3.60	"
HEIN C	F.60	2	2.50	—	—	4	4.70	F.60
HEIN P	F.60	3	2.40	—	—	—	—	"
IBM C	$65	—	—	3	6	—	—	$67½
IBM P	$66	—	—	2	2	—	—	"
KLM C	F.80	20	10	—	—	—	—	F.87.90
KLM C	F.90	65	4.30	11	8	—	—	"
KLM C	F.100	76	2	13	3.70	3	4.60	"
KLM C	F.110	13	0.90	—	—	—	—	"
KLM P	F.80	36	2	10	3.50 B	—	—	"
KLM P	F.90	77	6.70	—	—	—	—	"
KLM P	F.100	10	14.50	—	—	—	—	"
NEDL C	F.110	10	6.80	—	—	—	—	F.112.60
NEDL C	F.120	13	2.30 A	10	4.10	—	—	"
NEDL C	F.140	40	0.50	—	—	—	—	"
NATN C	F.120	3	1 A	8	1.70	—	—	"
PHIL C	F22.50	216	2.20	80	2.50	—	—	F.23.70
PHIL C	F.25	474	0.60	166	1.10	13	1.30	"
PHIL P	F.20	20	0.10	—	—	—	—	"
PHIL P	F.22.50	42	0.30	6	0.60	—	—	"
PHIL P	F.25	—	—	3	1.60	—	—	"
POLA C	$20	—	—	14	2¼	—	—	$20⅞
RD C	F.80	5	8.20	—	—	—	—	F.86.50
RD C	F.90	62	2.20	13	3.60	13	4.80	"
RO C	F.100	—	—	9	1.10	—	—	"
RD P	F.80	14	1.30	—	—	3	2.50	"
RD F	F.90	33	7	—	—	—	—	"
UNIL C	F.150	22	6.80 B	25	8 B	—	—	F.154.30
UNIL C	F.160	42	1.90	20	9.60	—	—	"

TOTAL VOLUME IN CONTRACTS 6744

A=Asked B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	12 %	Robert Fraser	13 %
Allied Irish Bank	12 %	Grindlays Bank	‡12 %
Amro Bank	12 %	■ Guinness Mahon	12 %
Henry Ansbacher	12 %	■ Hambros Bank	12 %
Arbuthnot Latham	12 %	Hargrave Secs. Ltd.	12 %
Associates Cap. Corp.	12 %	Heritable & Gen. Trust	12 %
Banco de Bilbao	12 %	■ Hill Samuel	§12 %
BCCI	12 %	C. Hoare & Co.	†12 %
Bank Hapoalim BM	12 %	Hongkong & Shanghai	12 %
Bank of Ireland	12 %	Kingsnorth Trust Ltd.	13 %
Bank Leumi (UK) plc	12 %	Knowsley & Co. Ltd.	12½%
Bank of Cyprus	12 %	Lloyds Bank	12 %
Bank Street Sec. Ltd.	13½%	Mallinhall Limited	12 %
Bank of N.S.W.	12 %	Edward Manson & Co.	13½%
Banque Belge Ltd.	12 %	Midland Bank	12 %
Banque du Rhone et de la Tamise S.A.	12½%	■ Samuel Montagu	12 %
Barclays Bank	12 %	■ Morgan Grenfell	12 %
Beneficial Trust Ltd.	13 %	National Westminster	12 %
Bremar Holdings Ltd.	13 %	Norwich General Trust	12 %
Brit. Bank of Mid. East	12 %	P. S. Refson & Co.	12 %
■ Brown Shipley	12½%	Roxburghe Guarantee	12½%
Canada Perm't Trust	13 %	Slavenburg's Bank	12 %
Castle Court Trust Ltd.	12½%	Standard Chartered	‖12 %
Cavendish G'ty T'st Ltd.	13 %	Trade Dev. Bank	12 %
Cayzer Ltd.	12 %	Trustee Savings Bank	12 %
Cedar Holdings	12 %	TCB	12 %
■ Charterhouse Japhet	12½%	United Bank of Kuwait	12 %
Choulartons	13 %	Volkskas Intl. Ltd.	12 %
Citibank Savings	¶12½%	Whiteaway Laidlaw	12½%
Clydesdale Bank	12 %	Williams & Glyn's	12 %
C. E. Coates	13 %	Wintrust Secs. Ltd.	12 %
Comm. Bk. of Nr. East	12 %	Yorkshire Bank	12 %
Consolidated Credits	12½%		
Co-operative Bank	*12 %		
Corinthian Secs.	12 %		
The Cyprus Popular Bk.	12 %		
Duncan Lawrie	12 %		
Eagil Trust	12 %		
E.T. Trust	12 %		
Exeter Trust Ltd.	13 %		
First Nat. Fin. Corp.	15 %		
First Nat. Secs. Ltd.	15 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 9%, 1 month 9.25%. Short term £8,000/12 month 11.6%.
† 7-day deposits on sums of: under £10,000 8%, £10,000 up to £50,000 8½%, £50,000 and over 10¼%.
‡ Call deposits £1,000 and over 9%.
‖ 21-day deposits over £1,000 10%.
§ Demand deposits 9%.
¶ Mortgage base rate.

General Mining Union Corporation Group

Gold Mining Companies' Reports for the Quarter ended 30 June 1982

All companies mentioned are incorporated in the Republic of South Africa

UNISEL Gold Mines Limited

Stated capital – 28 000 000 shares of no par value.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	9 months ended 30.6.1982
Mined (m²)	60 498	53 992	166 492
Ore milled (t)	300 000	300 000	900 000
Gold produced (kg)	2 160	2 160	6 480
Yield (g/t)	7.2	7,2	7.2
Working revenue (R/t milled)	84.70	82.72	67,28
Working costs (R/t milled)	37,50	35,10	35,74
(R/m² mined)	185,95	185,03	183,22
Working income (R/t milled)	47.20	47.62	51.52
Gold price received (R/kg)	11 742	11 467	12 092
($/oz)	343	360	375
Financial results (R'000)			
GOLD – Working revenue	25 410	24 815	78 539
– Working costs	11 249	10 530	32 170
– Working income	14 161	14 285	46 369
Sundry income – net	1 046	136	1 373
Income before taxation and State's share of income	15 207	14 421	47 742
Taxation and State's share of income	8 516	8 397	23 494
Income after taxation and State's share of income	R6 691	R6 024	R24 248
Capital expenditure	540	808	2 485
Loan repayments	—	—	2 471
Dividend declared	—	12 600	12 600

Development (reefs)	Quarter ended 30.6.1982 Basal	Middle	Leader	Quarter ended 31.3.1982 Basal	Middle	Leader	9 months ended 30.6.1982 Basal	Middle	Leader
Advanced (m)	1 841	265	105	1 426	493	98	4 462	1 438	308
Advanced on reef (m)	497	115	83	313	249	28	1 144	663	176
Sampled (m)	472	121	68	348	254	42	1 149	612	170
Channel width (cm)	142	125	187	135	105	196	134	113	192
Average value – gold (g/t)	11.2	17.6	3,4	15,9	16.3	5,7	13.1	13,7	5,4
– (cm.g/t)	1 591	2 219	634	2 153	1 712	1 123	1 759	1 549	1 039

REMARKS

Capital expenditure
Amounts approved not yet spent – R4 762 000.
Commitments in respect of contracts placed – R2 131 000.

Dividend
A dividend of 45 cents per share was paid on 30 April 1982.

BRACKEN Mines Limited

Issued capital – 14 000 000 shares of 90 cents each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	9 months ended 30.6.1982
Mined (m²)	59 502	80 920	183 650
Ore milled (t)	240 000	255 000	756 000
Gold produced (kg)	775	803	2 442
Yield (g/t)	3,2	3,1	3,2
Working revenue (R/t milled)	37,64	37,50	39,81
Working costs (R/t milled)	30,30	31,26	30,44
(R/m² mined)	122,21	130,84	125,12
Working income (R/t milled)	7,34	5,24	9,37
Gold price received (R/kg)	11 566	11 751	12 307
($/oz)	328	380	376
Financial results (R'000)			
GOLD – Working revenue	9 033	9 563	30 053
– Working costs	7 272	7 971	22 979
– Working income	1 761	1 592	7 074
Sundry income – net	703	303	1 232
Tribute and royalties – net	3	12	—
Income before taxation and State's share of income	2 467	1 907	8 306
Taxation and State's share of income	951	685	3 290
Income after taxation and State's share of income	R1 516	R1 222	R5 016
Capital expenditure	376	540	1 879
Dividend declared	—	1 960	1 960
Development – Kimberley Reef			
Advanced (m)	898	1 461	3 954
Advanced on reef (m)	311	325	906
Sampled (m)	306	335	908
Channel width (cm)	36	28	31
Average value – gold (g/t)	10.8	11,6	13.2
– (cm.g/t)	391	337	408

REMARKS

Capital expenditure
Amounts approved not yet spent – R2 777 000.
Commitments in respect of contracts placed – R40 000.

Dividend
A dividend of 14 cents per share was paid on 30 April 1982.

Hedging Operations
Bracken has hedged forward for six months and received R125 000 for closing of the first month. The balance of the sales position has been closed out.

STILFONTEIN Gold Mining Company Limited

Issued capital – 13 062 820 shares of 50 cents each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
Mined (m²)	122 835	122 393	245 228
Ore milled (t)	420 000	443 000	863 000
Gold produced (kg)	2 909	3 208	6 117
Yield (g/t)	6,9	7,2	7,1
Working revenue (R/t milled)	80.45	83.97	82,28
Working costs (R/t milled)	64,75	61.13	62,89
(R/m² mined)	221,39	221,25	221,32
Working income (R/t milled)	15,70	22,84	19,37
Gold price received (R/kg)	11 580	11 580	11 580
($/oz)	331	362	347

The above figures exclude ore processed for Buffelsfontein Gold Mining Company Limited.

Financial results (R'000)	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
GOLD – Working revenue	33 790	37 200	70 890
– Working costs	27 194	27 079	54 273
– Working income	6 596	10 121	16 717
Sundry income – net	180	1 562	1 742
Dividend received	5 100	—	5 100
Tribute and royalties – net	(1 498)	(2 115)	(3 613)
Income before taxation and State's share of income	10 378	9 568	18 946
Taxation and State's share of income	608	3 135	3 743
Income after taxation and State's share of income	R9 770	R6 433	R16 203
Capital expenditure	1 530	1 660	3 390
Dividend declared	13 063	—	13 063

Development	Quarter ended 30.6.82 Vaal Reef	V.C.R.	Quarter ended 31.3.82 Vaal Reef	V.C.R.	6 months ended 30.6.82 Vaal Reef	V.C.R.
Advanced (m)	7 690	996	7 646	1 041	15 336	2 039
Advanced on reef (m)	952	362	946	284	1 898	646
Sampled (m)	747	315	613	267	1 560	582
Channel width (cm)	23	77	27	43	25	61
Average value – gold (g/t)	53,6	6.1	46,2	7.8	49,7	6,8
– (cm.g/t)	1 212	466	1 252	335	1 233	407
– uranium (kg/t)	0,853	0,130	0,704	0,158	0,775	0,143
– (cm.kg/t)	19,28	9,96	19,07	6,80	19,17	8,51

REMARKS

Capital expenditure
Amounts approved not yet spent – R3 369 000.
Commitments in respect of contracts placed – R243 939.

Dividend
On 2 June 1982 dividend No 56 of 100 cents per share was declared payable to shareholders registered on 18 June 1982. Dividend warrants will be posted on 5 August 1982.

Chemwes Limited

(A subsidiary of Stilfontein Gold Mining Company Limited)
Issued capital – 1 000 shares of R1 each.

Operating results	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
Pulp treated (t)	859 000	875 000	1 734 000
Oxide produced (kg)	127 175	152 256	279 431
Yield (kg/t)	0,15	0,17	0,16
Financial results (R'000)			
Net income	R8 492	R7 926	R16 418
Income appropriated for capital expenditure	3 000	8 000	11 000
Actual capital expenditure	417	119	536
Dividend declared	6 000	—	6 000

REMARKS

Capital expenditure
Amounts approved not yet spent – R1 221 000.
Commitments in respect of contracts placed – R325 000.

Dividend
On 2 June 1982 a dividend of R6 million was declared.

MARIEVALE Consolidated Mines Limited

Issued capital – 4 500 000 shares of 25 cents each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
Mined (m²)	16 829	13 416	30 245
Ore milled (t)	165 000	165 000	330 000
Gold produced (kg)	281	278	560
Yield (g/t)	1,7	1,7	1,7
Working revenue (R/t milled)	19,65	19,66	19,68
Working costs (R/t milled)	19,45	18,53	18,99
(R/m² mined)	190,68	227,94	207,21
Working income (R/t milled)	0,20	1,13	0,67
Gold price received (R/kg)	11 503	11 618	11 609
($/oz)	334	367	350
Financial results (R'000)			
GOLD – Working revenue	3 243	3 244	6 487
– Working costs	3 209	3 058	6 267
– Working income	34	186	220
Sundry income – net	293	83	376
Income before taxation	327	269	596
Taxation	106	112	218
Income after taxation	R221	R157	R378
Dividend declared	720	—	720
Development			
Advanced (m)	398	436	834
Advanced on reef (m)	274	294	568
Sampled (m)	273	291	564
Channel width (cm)	60	77	69
Average value – gold (g/t)	9,55	7,82	8,52
– (cm.g/t)	573	602	588

REMARKS

Dividend
On 11 June 1982 dividend No. 84 of 16 cents per share was declared to members registered on 25 June 1982. Dividend warrants will be posted on 5 August 1982.

Hedging operations
An amount of R268 787 was received for the quarter from forward sales of gold.

ST. HELENA Gold Mines Limited

Issued capital – 9 625 000 ordinary shares of R1 each.
– 10 115 070 cumulative preference shares of R1 each.

Operating results	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
St. Helena GOLD			
Mined (m²)	126 217	110 121	236 338
Ore milled (t)	530 000	530 000	1 060 000
Gold produced (kg)	3 657	3 763	7 420
Yield (g/t)	6,9	7,1	7,0
Working revenue (R/t milled)	80,18	81,93	81,06
Working costs (R/t milled)	37,81	36,36	37,09
(R/m² mined)	158,77	175,01	166,33
Working income (R/t milled)	42,37	45,57	43,97
Gold price received (R/kg)	11 601	11 517	11 559
($/oz)	332	363	348
Beisa Section GOLD			
Mined (m²)	37 604	26 833	64 437
Ore milled (t)	134 000	111 000	245 000
Gold produced (kg)	153	56	209
Yield (g/t)	1,14	0,50	0.85
URANIUM			
Pulp treated (t)	134 000	111 000	245 000
Oxide produced (kg)	60.4	55,4	115,8
Yield (kg/t)	0,45	0,50	0,47
Financial Results (R'000) – St. Helena			
GOLD – working revenue	42 498	43 423	85 921
– working costs	20 039	19 272	39 311
– working income	22 459	24 151	46 610
Sundry income	1 010	781	1 781
St. Helena's share of profits – Beisa Section	—	—	—
Income before taxation and State's share of income	23 469	24 932	48 401
State's share of income	1 310	1 414	2 724
Income after taxation and State's share of income	R22 159	R23 518	R45 677
Appropriation for capital expenditure	15 434	16 673	32 107
Actual capital expenditure – St. Helena	6 140	8 812	12 952
Beisa Section	8 423	6 350	14 773
Dividend declared	13 956	—	13 956

Development – St. Helena	Quarter ended 30.6.1982 Basal Reef	Leader Reef	Quarter ended 31.3.1982 Basal Reef	Leader Reef	6 months ended 30.6.1982 Basal Reef	Leader Reef
Advanced (m)	2 498	502	2 237	387	4 735	889
Advanced on reef (m)	280	339	241	192	521	531
Sampled (m)	243	318	249	191	492	510
Channel width (cm)	99	140	84	139	91	140
Average value – gold (g/t)	9,1	5,3	17,7	6,0	13.1	5.5
– (cm.g/t)	896	740	1 487	833	1 195	775

Development – Beisa Section	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
Station cutting (m)	890	623	1 513
Advanced (m)	3 535	2 348	5 884
Advanced on reef (m)	455	177	632
Sampled (m)	334	167	501
Channel width (cm)	76	77	78
Average value – gold (g/t)	3.0	3.9	3,3
– gold (cm.g/t)	239	297	258
– uranium (kg/t)	0,962	1,052	0,996
– uranium (cm.kg/t)	76,00	81,04	77,67

REMARKS

St. Helena

Capital expenditure
Amounts approved not yet spent – R21 572 000.
Commitments in respect of contracts placed – R2 326 000.

Dividend
On 11 June 1982 dividend No. 54 of 145 cents per ordinary share was declared to ordinary shareholders registered on 25 June 1982. Dividend warrants will be posted on 5 August 1982.

Beisa Section

Capital expenditure
Amounts approved not yet spent R37 482 000.
Commitments in respect of contracts placed – R3 344 000.

Production
The production build up has again been hampered by intersections of water and underground geological faulting.

Operating loss
The Beisa section incurred an operating loss of R3 316 000 for the quarter ended 30 June 1982 (R4 650 000 for the year to date). The situation is expected to improve as the section reaches full production.

BEATRIX Mines Limited

Share capital – 100 shares of R1 each.
Loan capital advanced to date – R104 174 000.

REMARKS

Capital expenditure
Net expenditure for the quarter on property, shafts, plant and equipment and general expenditure amounted to R1 872 000 (to date R106 748 000). Amounts approved in addition to commitments, inclusive of estimated escalation to 30 June 1982 – R359 949 000.
Commitments in respect of contracts placed – R21 641 000.

General
The construction of the mine is proceeding satisfactorily, both in respect to time and cost.
The No 1 and No 2 shafts have reached a depth of 786 metres and 769 metres below surface respectively.

The GROOTVLEI Proprietary Mines Limited

Issued capital – 11 438 818 stock units of 25 cents each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
Mined (m²)	111 359	101 842	213 201
Ore milled (t)	435 000	435 000	870 000
Gold produced (kg)	1 827	1 653	3 480
Yield (g/t)	4,2	3,8	4,0
Working revenue (R/t milled)	48,47	42,33	45,90
Working costs (R/t milled)	30,76	29,58	30,18
(R/m² mined)	120,17	126,24	123.07
Working income (R/t milled)	17,71	13,77	15,74
Gold price received (R/kg)	11 489	11 384	11 453
($/oz)	336	357	346
Financial results (R'000)			
GOLD – Working revenue	21 084	18 847	39 931
– Working costs	13 382	12 857	26 239
– Working income	7 702	5 990	13 692
Sundry income – net	(123)	(95)	(218)
Tribute and royalties – net	(7)	(5)	(12)
Income before taxation	7 572	5 890	13 462
Taxation	2 759	1 847	4 606
Income after taxation	R4 613	R4 043	R8 856
Capital expenditure	2 318	2 431	4 749
Dividend declared	4 118	—	4 118

Development –	Quarter ended 30.6.1982 Black reef	Kimberley reef	Quarter ended 31.3.1982 Black reef	Kimberley reef	6 months ended 30.6.1982 Black reef	Kimberley reef
Advanced (m)	300	1 015	453	1 202	753	2 217
Advanced on reef (m)	178	664	199	844	378	1 508
Sampled (m)	178	659	187	840	375	1 499
Channel width (cm)	131	18	130	18	130	18
Average value – gold (g/t)	10.8	30,8	16.2	20.1	13,7	24,7
– (cm.g/t)	1 421	550	2 106	362	1 780	445

REMARKS

Capital expenditure
Amounts approved not yet spent – R17 510 000.
Commitments in respect of contracts placed – R6 050 158.

Dividend
On 11 June 1982 dividend No 87 of 36 cents per unit of stock was declared to members registered on 25 June 1982. Dividend warrants will be posted on 5 August 1982.

General
The mining of higher grade areas necessitated by the lower gold price and the commencement of stoping operations on the Black reef horizon have resulted in an improved recovery grade.

WINKELHAAK Mines Limited

Issued capital – 12 180 000 shares of R1 each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	9 months ended 30.6.1982
Mined (m²)	123 284	124 015	376 054
Ore milled (t)	510 000	520 000	1 565 000
Gold produced (kg)	3 264	3 328	10 070
Yield (g/t)	6,4	6,4	6,4
Working revenue (R/t milled)	74,40	75,19	78,47
Working costs (R/t milled)	30,28	29,97	29,50
(R/m² mined)	125,26	125 66	122,78
Working income (R/t milled)	44,12	45,22	48,97
Gold price received (R/kg)	11 567	11 701	12 151
($/oz)	332	371	378
Financial results (R'000)			
GOLD – Working revenue	37 945	39 098	122 809
– Working costs	15 443	15 583	46 173
– Working income	22 502	23 515	76 636
Sundry income – net	1 566	892	4 008
Tribute and royalties – net	(249)	(257)	(801)
Income before taxation and State's share of income	23 819	24 150	79 843
Taxation and State's share of income	13 221	14 301	47 756
Income after taxation and State's share of income	R10 598	R9 849	R32 087
Capital expenditure	2 754	2 922	7 772
Dividend declared	—	19 244	19 244
Development – Kimberley Reef			
Advanced (m)	2 626	3 150	8 673
Advanced on reef (m)	409	592	1 560
Sampled (m)	399	573	1 547
Channel width (cm)	79	72	69
Average value – gold (g/t)	12.5	12,8	11,8
– (cm.g/t)	988	925	813

REMARKS

Capital expenditure
Amounts approved not yet spent – R17 758 000.
Commitments in respect of contracts placed – R2 518 807.

Dividend
A dividend of 158 cents per share was paid on 30 April 1982.

BUFFELSFONTEIN Gold Mining Company Limited

Issued capital – 11 000 000 shares of R1 each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	Year ended 30.6.1982
Mined (m²)	228 008	226 528	927 679
Ore milled (t)	813 000	793 000	3 282 000
Gold produced (kg)	6 837	6 609	27 844
Yield (g/t)	8.5	8,3	8.5
Working revenue (R/t milled)	100,28	95,45	105,68
Working costs (R/t milled)	60,78	59,67	57,23
(R/m² mined)	215,78	208,90	201,24
Working income (R/t milled)	39,50	35,78	48,45
Gold price received (R/kg)	11 607	11 426	12 341
($/oz)	338	367	390

The above figures include ore processed by Stilfontein Gold Mining Company Limited.

URANIUM	Quarter ended 30.6.1982	Quarter ended 31.3.1982	Year ended 30.6.1982
Pulp treated (t)	751 000	758 000	3 100 000
Oxide produced (kg)	145 500	145 000	603 850
Yield (kg/t)	0,19	0,19	0,19
Financial results (R'000)			
GOLD – Working revenue	81 532	75 696	344 740
– Working costs	49 415	47 322	186 690
– Working income	32 117	28 374	158 050
URANIUM – Working income	1 412	1 789	16 218
Sundry income – net	2 125	2 401	8 677
Dividend received	800	—	1 800
Tribute and royalties – net	(3 685)	(4 166)	(21 287)
Income before taxation and State's share of income	32 869	28 398	153 356
Taxation and State's share of income	9 580	15 599	73 579
Income after taxation and State's share of income	R23 289	R12 799	R69 777
Capital expenditure	14 015	8 263	40 692
Dividend declared	30 800	—	59 400
Development – Vaal Reef			
Advanced (m)	12 481	13 058	54 307
Advanced on reef (m)	1 250	730	4 959
Sampled (m)	1 119	669	4 578
Channel width (cm)	128	115	114
Average value – gold (g/t)	13,16	13,61	13,28
– (cm.g/t)	1 678	1 558	1 516
– uranium (kg/t)	0,498	0,440	0,453
– (cm.kg/t)	63,45	50,36	51,88

Ore reserves as at 30 June 1982

	Available	Unavailable	Inaccessible	Total mine
Tons (000's)	6 460	991	2 630	10 081
Stope width (cm)	153	142	144	149
Value gold (g/t)	10,15	10,31	11,64	10,61
– (cm.g/t)	1 552	1 465	1 707	1 585
– uranium (kg/t)	0.312	0,327	0,322	0,316
– (cm.kg/t)	47,62	46,49	46,39	47,17

Ore reserve pay limit is calculated at an estimated gold price of R12 776/kg ($368/oz) and an estimated realisable value for uranium oxide.

REMARKS

Capital expenditure
Amounts approved not yet spent – R104 032 000.
Commitment in respect of contracts placed – R24 633 762.

Dividend
On 2 June 1982 dividend No 50 of 280 cents per share was declared payable to shareholders registered on 16 June 1982. Dividend warrants will be posted on 5 August 1982.

WEST RAND Consolidated Mines Limited

Issued capital – 4 250 000 ordinary shares of R1 each.
– 25 000 deferred shares of R2 each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	6 months ended 30.6.1982
Mined (m²)	113 698	112 258	225 857
Ore milled (t)	533 400	536 000	1 069 400
Gold produced (kg)	958	817	1 775
Yield (g/t)	1.8	1.5	1,7
Working revenue (R/t milled)	20.75	17,83	19,29
Working costs (R/t milled)	27.68	26.78	27,23
(R/m² mined)	129,85	127,87	128,87
Working income (R/t milled)	(6.93)	(8.95)	(7.94)
Gold price received (R/kg)	11 551	11 698	11 619
($/oz)	334	371	351
Financial results (R'000)			
GOLD – Working revenue	11 066	9 557	20 623
– Working costs	14 764	14 354	29 118
– Working income (loss)	(3 698)	(4 797)	(8 495)
Uranium income	852	1 607	2 459
Sundry income – net	330	89	419
State aid	2 852	2 451	5 303
Income before taxation	336	(650)	(314)
Taxation	533	786	1 319
Income after taxation and State aid	R(197)	R(1 436)	R(1 633)
Capital expenditure	53	—	53
Dividends declared	—	—	—
Development Main reef series			
Advanced (m)	7 018	6 378	13 396
Advanced on reef (m)	2 136	1 910	4 046
Sampled (m)	2 120	1 965	4 105
Channel width (cm)	99	78	89
Average value (g/t)	9.81	6,97	8,60
(cm.g/t)	971	547	766

REMARKS

Capital expenditure
Amounts approved not yet spent – R1 384 000.
Commitments in respect of contracts placed – R Nil.

Dividend
No interim dividend was declared.

LESLIE Gold Mines Limited

Issued capital – 16 000 000 shares of 65 cents each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	9 months ended 30.6.1982
Mined (m²)	69 458	72 236	212 252
Ore milled (t)	285 000	298 000	863 000
Gold produced (kg)	969	959	2 867
Yield (g/t)	3.4	3,2	3,2
Working revenue (R/t milled)	39.36	37,42	39,43
Working costs (R/t milled)	32,43	32,26	31,86
(R/m² mined)	133,08	133,06	132,53
Working income (R/t milled)	6.93	5,18	7.57
Gold price received (R/kg)	11 530	11 593	12 176
($/oz)	328	360	378
Financial results (R'000)			
GOLD – Working revenue	11 217	11 151	34 818
– Working costs	9 243	9 612	28 130
– Working Income	1 974	1 539	6 688
Sundry income – net	140	7	271
Tribute and royalties – net	(3)	(24)	(56)
Income before taxation and State's share of income	2 111	1 522	6 903
Taxation and State's share of income	551	—	2 024
Income after taxation and State's share of income	R1 560	R1 522	R4 879
Capital expenditure	290	774	1 593
Dividend declared	—	1 920	1 920
Development – Kimberley Reef			
Advanced (m)	1 365	1 779	5 368
Advanced on reef (m)	364	510	1 611
Sampled (m)	355	503	1 560
Channel width (cm)	24	16	18
Average value – gold (g/t)	22.5	24.8	22.3
– (cm.g/t)	540	397	401

REMARKS

Capital expenditure
Amounts approved not yet spent – R2 437 000.
Commitments in respect of contracts placed – R571 000.

Dividend
A dividend of 12 cents per share was paid on 30 April 1982.

KINROSS Mines Limited

Issued capital – 18 000 000 stock units of R1 each.

Operating results GOLD	Quarter ended 30.6.1982	Quarter ended 31.3.1982	9 months ended 30.6.1982
Mined (m²)	100 539	98 795	300 011
Ore milled (t)	420 000	420 000	1 260 000
Gold produced (kg)	2415	2 415	7 268
Yield (g/t)	5,8	5,8	5,8
Working revenue (R/t milled)	66,82	66,24	69,75
Working costs (R/t milled)	37,26	35,42	35,34
(R/m² mined)	155,65	150,59	148,43
Working income (R/t milled)	29,56	30,62	34,41
Gold price received (R/kg)	11 479	11 478	11 677
($/oz)	331	363	373
Financial results (R'000)			
GOLD – Working revenue	28 064	27 822	87 688
– Working costs	15 648	14 678	44 531
– Working income	12 415	12 944	43 357
Sundry income – net	608	310	1 729
Tribute and royalties – net	—	—	(50)
Income before taxation and State's share of income	13 023	13 254	45 036
Taxation and State's share of income	4 510	6 327	21 138
Income after taxation and State's share of income	R8 513	R6 927	R23 900
Capital expenditure	4 840	3 118	10 297
Dividend declared	—	11 160	11 160
Development – Kimberley Reef			
Advanced (m)	3 863	3 800	11 420
Advanced on reef (m)	863	970	2 402
Sampled (m)	1 027	688	2 340
Channel width (cm)	28	34	33
Average value – gold (g/t)	32.0	27,4	28.9
– (cm.g/t)	895	931	949
The above includes development for No. 2 shaft area as follows:			
Advanced (m)	3 001	2 930	8 777
Advanced on reef (m)	718	713	1 655
Sampled (m)	771	641	1 619
Channel width (cm)	22	19	21
Average value – gold (g/t)	48.0	55,6	55.1
– (cm.g/t)	1 057	1 067	1 158

REMARKS

Capital expenditure
Amounts approved not yet spent – R36 390 000.
Commitments in respect of contracts placed – R8 389 000.

Dividend
A dividend of 62 cents per unit of stock was paid on 30 April 1982.

General
An abnormal increase in the working costs arose due to the necessity to toll mill rock at Bracken Mines Limited arising from a series of problems in the filter plant of the reduction works.

NOTES

1. Development values quoted above represent actual results of sampling, and no allowance has been made for any adjustments which may be, or were, necessary when estimating ore reserves at the end of the financial years.
2. All financial figures are unaudited.
3. The quarterly reports have been approved and signed on behalf of the respective companies by two directors.

Johannesburg, 21 July 1982

Copies are available from: London Office, 30 Ely Place, London, EC1N 6U

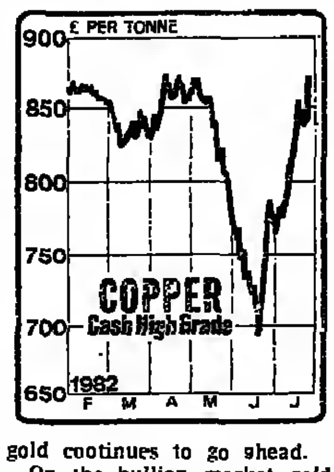
COMMODITIES AND AGRICULTURE

Strength of gold pushes copper prices higher

BY JOHN EDWARDS, COMMODITIES EDITOR

COPPER prices advanced strongly again on the London Metal Exchange yesterday, encouraged by the rise in gold and hopes of a further lowering in U.S. interest rates. Higher grade cash copper closed £29 up at £872.5 a tonne—its highest level for 10 weeks. The three months quotation closed £32.5 higher at £891.75 and in later trading rose to a peak of £895, as the New York copper market opened on a firme note.

Traders said there was a considerable amount of speculative buying activity. Forecasts of a further rise in prices, to over £900 a tonne, have been fuelled by the trend in gold; the cut in U.S. interest rates and the higher than expected prices paid at the recent U.S. Mint buying tender. Reports of Chinese buying earlier this month started the change in market sentiment, encouraging covering purchases by both consumers and speculators. However, there are signs of consumer resistance at the higher level which may make it difficult to sustain the rise unless gold continues to go ahead.



On the bullion market gold gained $16 to $366 a troy ounce, while on the London futures market the August position closed £4.35 up at 209.70. The fall in U.S. interest rates and doubts about the value of the dollar as a result, have sparked off renewed buying of gold, especially from the U.S. and Middle East.

Silver followed the upturn in gold. The bullion spot price at the morning fixing jumped by 35.35p to 404.35p a troy ounce and the market held at the higher level in the afternoon. Free market platinum moved up too, gaining £4.10 to £175.65 a troy ounce.

Lead, zinc, aluminium and nickel all followed the upward trend in copper but tin prices lost ground again. Cash tin closed £177.5 lower at £6,257.5 a tonne following some heavy selling, believed to be profit-taking, mainly from one dealer.

There was reported to be some support buying of three months high grade tin by the buffer stock of the International Tin Council in late trading, but there are increasing doubts about the ability of the buffer stock to continue supporting the market effectively. The buffer stock was understood to have been forced to take up the total offering (of 341 tonnes) in the Penang market overnight to keep the Straits tin price at the Tin Agreement's "floor" level of M$29.15 a kilo.

India urged to stockpile sugar

WORRIED by the expected glut in production of sugar in the country, the Indian Sugar Mills Association has asked the Government to purchase at least 1m tonnes and build up a buffer stock of 1.5m tonnes this year.

It has also asked that the statutory minimum price for sugar cane be raised to more than the level of Rs 15.50 per quintal recommended by the Agricultural Price Commission.

The third demand made is that the Government should resume sugar exports from next January itself and that it should seek a higher export quota under the International Sugar Agreement.

The sugar industry expects an export quota of 1m tonnes under the ISA and has asked the Government to export at least 80 per cent of this between January and April because of the glut.

The association has noted that the current 1981-82 season would end with a carry over stock of 3.2m tonnes. With the increase in production stocks at the end of the 1982-83 season would be around 4.5m tonnes.

S. African maize crop estimate down

PRETORIA — South Africa's official 1981-82 maize crop estimate has been cut by 147,000 tonnes to 8.39m tonnes from 8.53m forecast last month, the agriculture department said.

The estimate, which is based on conditions at the end of June, is sharply down from 1980-81's record out-turn of 14.64m tonnes and reflects the effects of a drought earlier this year throughout main growing areas.

Maize estimates from every region show a decline.

The agriculture department estimated grain sorghum output lower at 284,000 tonnes against last month's 303,000 tonnes and last season's 552,000 tonnes actual production.

All South African summer cereals have been adversely affected by drought.

Reuter

AUSTRALIAN FARMING

Growers in triple jeopardy

BY MICHAEL THOMPSON-NOEL IN SYDNEY

FORECASTS of a 30 per cent slump in the net value of Australian farm output this year have further depressed the country's agricultural sector. Across Australia, farmers are in triple jeopardy — from drought, from rock-bottom export prices, and from what they see as the Government's inexplicable readiness to prop up manufacturing industries at the expense of the economy as a whole.

Earlier this week, farmers were incensed when the Government announced a new aid package for industry and a refusal, for now, to countenance a phasing out or lowering of trade tariffs. According to Mr Harold Balcomb, president of the biggest farm group in New South Wales, the Livestock and Grain Producers' Association: "The farm sector is bitterly disappointed by the Government's decision once again to put the interests of some inefficient manufacturing industries above the interests of the community."

But drought is a more immediate problem, particularly in NSW and Queensland. The bureau of meteorology in Melbourne said yesterday: "Since June 30, drought conditions have established themselves across most of New South Wales, except the very far north-east. South east NSW is very severely affected, with record dry spells." In some parts, rainfall in April, May and June totalled as little as 30mm, against 150 mm normally.

The plight of the rural sector is shown in figures released in Canberra this week by the Bureau of Agricultural Economics, which expects the real net value of Australian farm production in 1982-83 to slump by 30 per cent, to A$3.43bn (£2bn), the lowest since 1977-78.

The bureau blames drought and low export prices, and says that wheat and sugar growers will be hardest hit. Though the volume of farm exports is expected to rise by around 7 per cent, the value of rural export earnings is expected to rise by only 2 per cent, to A$7.93bn.

On the other hand, the bureau expects slightly better gross returns from livestock, because of better meat and wool prices—but no one is counting on it.

The Wheat Board says that reports of poorest harvest in Russia and India have recently boosted Australian wheat prices by between A$3 and A$5 a tonne, while growers have recently clinched significant wheat sales to Saudi Arabia and New Zealand. But the outlook for wheat growers is not promising.

Last season's wheat crop was 16.4m tonnes. But drought has caused late plantings across the eastern states, particularly in Queensland and Northern and Central New South Wales, with the result that a 1982-83 harvest as low as 14m tonnes is forecast.

Still, wheat exports are expected to rise to 13.4m tonnes, nearly 2m tonnes more than last year. As wheat is dominant export earner, that should prove of benefit to Australia's high current account deficit.

If the drought continues, it will affect not only the wheat crop, but the quality and volume of the wool clip, as well as the beef industry.

On current forecasts, beef production is expected to drop 7 per cent to 1.435m tonnes, with a 2 per cent reduction in value, to A$1.795m. The value of beef exports—with about 70 per cent shipped to the U.S. and Japan—may fall by 3 per cent. Cattle numbers are expected to fall further, to about 24.5m by next March, but if dry conditions persist, says the bureau, slaughterings will rise as farmers clear stock from their properties.

The sugar cane industry, already thoroughly depressed, is unlikely to show any recovery, with the value of production expected to show an 18 per cent fall, to A$480m, in spite of an expected record increase in output to 3.6m tonnes.

On the wool front, production this year is forecast at 709m kilos, worth A$1.84bn, the most likely price being around 450 cents a kilo clean. Thus the picture painted by the bureau is of a relatively stagnant wool industry, with only marginal increases in the auction price and no increase in production.

Mutton and lamb prices are expected to show little change. But the bureau expects the gross value of Australian dairy production to rise by 11 per cent, to around A$1.12bn, thanks to higher milk output and better prices.

According to the Bureau of Statistics, its export price index for live animals and food in the 12 months to May declined by 9 per cent.

It is unclear whether the federal government in Canberra will seek to aid the rural sector in its budget next month, particularly as it is being assaulted on all fronts by calls for lower rates of income tax.

But the penny could drop, particularly as Canberra realises that it is faced with lower rural tax collections, higher rural unemployment and no significant boost in total rural exports to help the current account deficit.

In the view of the Australian Labor Party, the Liberal government is still not fully recognising the impact on farm costs of its protectionist policies for industry, while in the view of Mr Michael Davidson, president of the National Farmers Federation: "The forecasts of a 30 per cent fall in real terms of the net value of rural production and of a further fall in farmers' terms of trade, will flow on throughout the entire economy." Australian agricultural, says Mr Davidson, is now in the grip of "a serious recession."

Whaling ban is in the balance

BY NANCY DUNNE IN BRIGHTON

IT WOULD take a hardened gambler to put his money on the outcome of the vote banning whaling at the International Whaling Commission conference here this week.

Technical committee meetings are moving ponderously; only rumours fly by. A vote which seems to indicate that a ban is inevitable is quickly followed by another which leaves the issue once again in doubt.

Yesterday the delegates had a variety of factors to ponder.

The inscrutable Chinese, who had never before cast an IWC vote, broke their silence by voting with the Japanese (who lost anyway) for a quota of 890 sperm whales in the western N. Pacific. Two votes later it opposed Japan and voted for a reduced quota on minke whales.

Dominica, which has never attended an IWC meeting and has in fact given notice that it will withdraw from the Commission this year, was reportedly on the way here to vote for the ban.

The Japanese delegation is said to have sent out letters checking the credentials of each delegation. Saint Lucia, an active anti-whaling representative, nearly lost its voting rights—and the whole ban battle—after questions were asked about the members' credentials.

Argentina, a former anti-whaler, along with Mexico, seems headed for the Spanish bloc, composed of Spain, Peru and Chile—all whaling nations.

Mexico and South Africa have emerged as the countries to watch. They can make or break the ban.

Environmentalists at the conference have had several successes: the vote to vote on a proposal to phase out all commercial whaling by the end of 1985 season was followed by quota reductions on minke whales.

A vote on the proposed ban is expected late today or tomorrow. Should it pass, Japan is not expected to walk Japan is not expected to walk out of the Commission, but it will raise an objection. A formal notice of objections means Japan will be able to continue whaling. That, however, could bring in the U.S., which has sanctions already to punish nations which don't co-operate with fishery conservation.

One law would embargo Japanese fish exports to the U.S. The other would cut in half for one year the quota for Japanese fishing in U.S. waters. After a year, no Japanese fishing would be permitted there. Some conservationists feel the momentum for ending whaling which has built up since 1975 is right this year, but if they fail they may never again have the strength to defeat the whaling nations.

Thailand wins larger EEC tapioca quota

BY JONATHAN SHARP IN BANGKOK

THE EEC is to allow Thailand to export an additional 1m tonnes of tapioca to the Community this year on top of its original quota of 5m tonnes, Thai officials said here yesterday.

Half of the extra amount is to be taken from the 1983 quota of 5.5m tonnes, and the rest is in addition to this year's quota, which has already been almost filled, according to the director-general of the Thai Foreign Trade Department, Bajr Issarasena.

Up to July 18 Thailand had already exported more than 4.5m tonnes of the commodity, which is used by the EEC countries as a cheap substitute for cereals in animal feed.

Mr Bajr said the EEC agreed to the extra shipments on condition that Thailand ratified an agreement on quotas initialled earlier this year.

Tapioca shipped within the quotas faces import duties of 6 per cent, while quantities above the quota would be charged 18 per cent.

The Thai pressure to export more tapioca illustrates the dilemma this country faces over the commodity, which is the main source of income for more than 5m farmers, most of them in the poverty-stricken north and north-east.

The EEC's readiness to import large quantities of tapioca after the mid-1980s is expected to decline, yet efforts to find crop substitutes in Thailand have so far made little progress.

In the past two decades tapioca has jumped to become Thailand's third biggest foreign exchange earner behind rice and tourism. Almost all the exports go to Europe, and no other market is likely to be able to absorb the quantities that Thailand produces at present.

Russian forage supplies down

WASHINGTON—State procurements of hay in the Soviet Union up to July 12 amounted to 20.8m tonnes compared with 31.0m by July 13 last year, the U.S. Agriculture Department's counsellor in Moscow said in a field report.

He said procurements of hay amounted to 30.5m tonnes compared with 35.0m, while silage totalled 4.2m versus 5.1m and grass meal 2.8m versus 2.9m tonnes.

It said sown and natural grasses cut by July 12 amounted to 40.1m hectares versus 44.1m by July 13 a year ago and 40.0m by July 14, 1980.

Reuter

LONDON OIL SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	31.50-31.60	+0.1
Iranian Light	30.00-31.00	−0.5
Arabian Heavy	28.50-29.75	−1.12
North Sea (Forties)	33.00	+0.07
African (Bonny Lt'ht)	33.40-34.00	−0.28
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	329-345	−1.5
Gas oil	270-281	−7.0
Heavy fuel oil	162-164	—

GAS OIL FUTURES

Steadier physicals caused prices to move up throughout the morning. The rise was fuelled by rumours of escalation of the Iran-Iraq conflict. Denial of the rumours led to a retracement before the market steadied on the close, reports Premier Man.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
July	275.50	−7.50	278.00-75.50
August	281.00	−7.25	282.00-75.50
Sept.	280.50	+6.25	282.00-75.25
Oct.	285.00	+5.75	286.00-78.75
Nov	283.75	+4.75	286.00-82.00
Dec	283.75	+3.75	287.00-81.00
Jan.	286.50	+3.50	—
Feb.	286.00	+1.50	—
March	287.00	+1.50	—

Turnover: 4,523 (3,883) lots of 100 tonnes.

GOLD MARKETS

Gold rose $16 an ounce from Tuesday's close in the London bullion market yesterday to finish at $365½-366½. The metal opened at $355½-357½ and touched a high of $368½-369½ as the market gained impetus from renewed interest in the U.S.

In Paris the 12½ kilo bar was fixed at FFr 79,200 per kilo ($362.63 per ounce) in the afternoon compared with FFr 78,350 ($357.91) in the morning and FFr 75,500 ($342.34) on Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 28,510 per kilo ($362.97 per ounce) against DM 27,430 ($346.00) and closed at $366-367 from $347½-348½.

LONDON FUTURES

Month	Yest'rday's close	+ or −	Business Done
	$ per troy ounce		
August	209.60-9.80	−4.350	212.00-06.5
Sept'mb'r	210.50-1.50	−4.900	208.50
October	212.40-3.50	−5.450	213.30-2.30
November	214.70-5.30	+5.600	216.50-4.70
December	215.50-7.20	−5.450	218.60-5.60
January	217.00-0.30	+5.450	—

Turnover: 1,330 (470) lots of 100 troy ounces.

In Luxembourg the dollar per ounce equivalent of the 12½ kilo bar was $358.00 against $344.75.

In Zurich gold finished at $363-368 from $346-349.

Gold Bullion (fine ounce)	July 21		July 20	
Close	$365½-366½	(£209¾-210)	$349½-350½	(£201½-202)
Opening	$355½-357½	(£207-207½)	$346-347	(£109¾-193½)
Morning fixing	$361.50	(£207.538)	$344.25	(£198.072)
Afternoon fixing	$366.50	(£209.848)	$347.75	(£200.575)

Gold Coins July 21					
Krugrnd	$374½-375½	(£215½-214½)	King Sov	$92-94	(£52½-53½)
½ Krug	$195½-194½	(£110½-111)	Victoria Sov	$92-94	(£52½-53½)
¼ Krug	$99½-99¾	(£56¼-56½)	French 20s	$78½-80½	(£44½-46)
1/10 Krug	$40½-41½	(£23-23½)	50 pesos Mex.	$446½-448½	(£253½-255½)
Mapleleaf	$374½-375½	(£213½-214½)	100 Cor. Aust	$355½-358	(£202½-204)
New Sov	$86¼-87½	(£49½-49¾)	$20 Eagles	$400-410	(£228-235½)

BRITISH COMMODITY MARKET

BASE METALS

BASE-METAL PRICES gained ground on the London Metal Exchange COPPER surged ahead, boosted by firmer gold and silver, to touch £895 in late inter-office trading following heavy speculative buying interest. LEAD and ZINC rose in sympathy to close at £337 and £427 respectively. ALUMINIUM and NICKEL were finally £576.5 and £2,980. TIN, however, fell away to £6,400 reflecting profit-taking prior to rallying to close at £6,430.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
HighGrde				
Cash	863-.5	+26.5	872-3	+29
3 mths	881-.5	+25	891.5-2	+32.5
Settlem't	863.5	+26.5	—	.....
Cathodes				
Cash	844-.5	+30	852-4	+31.5
3 months	863.5-4	+29.2	873-5	+32.5
Settlem't	844.5	+29.7	—	.....
U.S. Prod.	—	—	*70-75	.....

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £863.00, three months £884.00, 82.00, 81.00, 80.00, 79.00, 80.00, 82.00, 83.00, 82.00, 81.00, 80.50, 80.00. Cathodes, cash £843.00, 44.00, three months £863.50. Kerb: Higher Grade, three months £882.00, 82.50, 82.00, 83.00, 84.00. Afternoon: Higher Grade, three months £891, 92, 93.5, 93, 93.5, 94, 93.5, 93, 91, 90, 91, 92, 91.5, 92. Kerb, Higher Grade, three months £891, 90.5, 90, 89, 88, 88.5, 89, 90, 91, 92, 93, 94, 95, 94. Turnover: 26,350 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	6340-5	−90	6255-60	−177
3 months	6500-10	−55	6430-40	−155
Settlem't	6345	−90		
Standard				
Cash	6340-5	−90	6255-60	−177
3 months	6470-80	−92.5	6400-1	−175
Settlem't	6345	−90	—	
Straits E.	$29.15	...	—	
New York	—			

Tin—Morning: Standard, cash £6,340, 3, three months £6,370, 80, 40, 30, 20, 10, 15, 20 [illegible] 70, 80. Kerb: Standard, three months £6,400, 80, 85, 70, 60, 50. Afternoon: Standard, three months £6,460, 50, 30, 20, 10, 6,400, 6,401. Kerb: Three months £6,450, 60, 30. Turnover, 3,250 tonnes.

LEAD, ZINC, ALUMINIUM and NICKEL tables: [illegible]

Nickel — Morning: Three months £2,945, 40, 43, 50, 60. Afternoon: Three months £2,955, 60, 65, 60. Kerb: Three months £2,965, 70, 80. Turnover: 774 tonnes.

* Cents per pound. † M$ per kilo. ‡ On previous unofficial close.

SILVER

Silver was fixed sharply higher at yesterday's fixing in London at 404.35p, a rise of 35.35p. U.S. cent equivalents of the fixing levels were: spot 704.8c, up 63.3c; three-month 727.0c, up 64.2c; six-month 747.5c, up 64.5c; and 12-month 789.7c, up 65.1c. The metal opened at 396-399p (684-688c) and closed at 406-411p (713-717c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	404.35p	+35.3	404.5p	+17.7
3 months	416.65p	+36.0	416.75p	+15.0
6 months	424.95p	+35.7	—	.....
12months	445.00p	+35.7	—	.....

LME—Turnover 163 (128) lots of 10,000 ozs. Morning: three months 416.0, 15.0, 14.0, 15.0, 15.5, 16.0, 15.5. Kerb: three months 414.5, 15.0. Afternoon: three months 418, 18.5, 18.3, 16, 16.5. Kerb: three months 416, 17, 18, 19, 20.

COCOA

In quiet conditions values were steady throughout the day despite firm sterling and lack of consumer interest, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
July	854-55	−18.5	855-44
Sept.	858-59	−21.0	880-70
Dec.	932-33	−20.0	933-17
March	966-67	−17.0	968-55
May	990-91	−19.0	990-79
July	1005-11	−16.5	1001
Sept.	1026-31	−17.5	1030

Sales: 1,963 (2,021) lots of 10 tonnes.

ICCO—Daily price for July 21: 70.89 (69.63). Indicator price for July 22: 69.96 (70.23).

COFFEE

Volume was again light and trading was within a narrow range, reports Drexel Burnham Lambert. Prices moved steadily towards recent resistance levels to consolidate slightly above the previous close.

[illegible]

GRAINS

[illegible]

Channel, Nov 117.25 East Coast/South Coast. French Aug 137.00 seller transhipment East Coast. S. African Yellow/White Aug-Sept 89.00 seller. Barley: English Feed fob July 103.25 East Coast seller, Aug 104.50 paid East Coast. Rest unquoted.

RUBBER

The London physical market opened about unchanged, was quietly steady on lack of offers from the East and closed about steady. Lewis and Peat recorded an August fob price for No 1 RSS in Kuala Lumpur of [illegible] (225) cents a kg and SMR 20 [illegible].

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

WOOL FUTURES

[illegible]

POTATOES

[illegible]

COTTON

[illegible]

PRICE CHANGES

In tonnes unless otherwise stated.

	July 21 1982	+ or −	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$970/1000	+26	$880/920
Copper			
Cash h'grade	£872.5	+29	£726.5
3 mths	£891.75	+32.5	£748.25
Cash Cathode	£853	+31.5	£718
3 mths	£874	+32.5	£738.0
Gold troy oz	$366	+16	$308
Lead Cash	£326.75	+9.75	£296
3 mths	£339.5	+10.25	£305.5
Nickel	£4080	....	£3922
Free mkt	256/265c	+7	250/268c
Platin'mtr oz'y	£260	....	£260
Freemkt	£175.65	+4.1	£145.20
Quicksilver†	$360/370	....	$370/380
Silver troy oz	404.35p	+35.35	298.40p
3 mths	416.05p	+36.05	301.40p
Tin Cash	£6257.5	−177.5	£6410
3 mths	£6400.5	−175	£6612.5
Tungsten22.0lb	$111.18	....	$110.92
Wolfrm 22.4lbs	$107/112	....	$115-118
Zinc Cash	£422.5	+8	£394
3 mths	£429.25	+9	£397.5
Producers	$800	....	$800
Oils			
Coconut (Phil)	$455x	−30	$502
Groundnut	‡	....	‡
Linseed Crude	‡	....	$388
Palm Malayan	$396w	+2.5	$480
Seeds			
Copra Philip	$315v	....	$330
Soyabean (U.S.)	$255.5w	....	$302
Grains			
BarleyFut. Nov	£106.55	+0.2	£104.00
Maize	£157w	....	£157.00
Wheat Fut. Nov	£113.25	−0.1	£108.00
No.2HardWint.	‡	....	‡
Other commodities			
Cocoa ship't*	£924	+91	£934
Future Sept	£888.5	+21	£905.6
Coffee Ft' Sept	£1119.5	+6	£1,155
Cotton A.Index	78.80c	....	75.95c
Gas Oil Aug	$281	+7.25	$278.78
Rubber (kilo)	49.25p	+0.75	46.70p
Sugar (Raw)	£115y	+2	£104
Wool'ps 64s kl.	386p kilo	....	389p kilo

‡ Unquoted. x Aug-Sept. v July-Aug. w Aug. y Sept. † Per 76 lb flask. * Ghana cocoa. n Nominal.

INDICES

FINANCIAL TIMES

July 20	July 19	M'th ago	Y'ar ago
235.03	232.77	226.56	270.02

(Base: July 1 1952 = 100)

REUTERS

July 21	July 20	M'th ago	Y'ar ago
1564.2	1554.0	1515.8	1707.9

(Base: September 18 1931 = 100)

MOODY'S

July 20	July 19	M'th ago	Y'ar ago
1002.3	1004.4	966.6	1063.4

(December 31 1931 = 100)

DOW JONES

Dow Jones	July 20	July 19	Month ago	Year ago
Spot	[illegible]	[illegible]	[illegible]	[illegible]
Fut's	[illegible]	[illegible]	[illegible]	[illegible]

(Base: December 31 1974 = 100)

AMERICAN MARKETS

NEW YORK, July 21.

Precious metals came under pressure from long liquidation and a higher Fed fund rate. Copper finished fractionally higher after dissipating major gains on the close on commission house selling. Heating oil was lower in a narrow range in nervous trading focusing on new developments in Iraq. Coffee was sharply lowered on liquidation based on favourable weather in Brazil. Sugar was severely depressed on profit-taking. Cocoa advanced moderately on light but steady manufacturing buying, reported Heinold.

Copper—July 67.20-67.30 (67.10), Aug 67.40 (67.40), Sept 68.00-68.20, Dec 70.40-70.50, Jan 71.25, March 73.00, May 74.50, July 75.75, Sept 77.25, Dec 79.45, Jan 80.20, March 81.70, May 83.20.

*Gold—July 355.4 (369.3), Aug 355.5-357.0 (360.3), Sept 360.0, Oct 363.0-365.0, Dec 370.5-372.5, Feb 378.5-379.6, April 388.0, June 395.5, Aug 403.3, Oct 411.6, Dec 420.0, Feb 428.5, April 437.1, 391-391½, May 389, July 397½.

*Platinum—July 294.8 (297.0), Oct 302.0-304.5 (305.0), Jan 310.6-311.5, April 318.4, July 325.7.

Potatoes (round whites) — Nov 71.2 (72.11), Feb 70.0-70.5 (71.6), March 82.5-84.0, April 94.0-94.5. Sales: 243.

¶Silver—July 685.0 (693.7), Aug 685.0-690.0 (695.2), Sept 688.0-700.0, Dec 712.0-725.0, Jan 730.0, March 735.0-750.0, May 759.0, July 765.0, Sept 791.0, Dec 815.0, Jan 823.0, March 839.0, May 864.0. Handy and Harman bullion spot: 721.00 (677.00).

Sugar—No 11: Sept 7.80-7.90 (8.23), Oct 7.99-8.04 (8.42), Jan 8.41-8.51, March 8.07-9.08, May 8.28-9.29, July 9.48-9.52, Sept 8.75-9.85, Oct 8.85-9.95. Sales: 8,056.

Tin—518.00-521.00 (523.00-524.00).

CHICAGO, July 21

Lard—Chicago loose 23.00 (same).

‡‡Maize—July 289-286 (289), Sept 261½-261 (261¾), Dec 261¼-261, March 275¾-276, May 285, July 290¼-290½.

‡Soyabeans—July 625¾ (616½), Aug 621½-621 (617¼), Sept 619, Nov 623-622, Jan 637½-638, March 655, May 667, July 678, Aug 682.

WINNIPEG, July 21.

§Barley—July 121.9 (120.5), Oct 112.8 (113.5), Dec 114.8, March 118.7, May 118.8.

†Wheat—July 344½ (339½), Sept 352½-351½ (351½), Dec 374½-375, March

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 232.69.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. Cents per 60-lb bushel. ‖ $ per short ton (2,000 lb). § $Can. per metric ton. ‡‡ Cents per 56-lb bushel. † Cents §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric tonne.

Tuesday's closing prices

††Cocoa—July 1323 (1304), Sept 1363 (1344), Dec 1433, March 1505, May 1550, July 1593, Sept 1636. Sales: 2,200.

Coffee—"C" Contract: July 139.00-139.25 (137.77), Sept 125.80-126.00 (124.29), Dec 117.60-117.90, March 113.50-114.00, May 109.50-109.51, July 108.50-108.75, Sept 105.00-109.00, Dec 105.00-105.50. Sales: 1,800.

Cotton—No. 2: Oct 71.40-71.52 (70.75), Dec 73.60-73.73 (72.93), March 75.75, May 76.75, July 77.95-78.00, Oct 77.00-77.10, Dec 76.70-76.75. Sales: 4,000.

Heating Oil—(cents per U.S. gallon): Aug 88.75-88.85 (88.78), Sept 88.25-88.40 (88.34), Oct 88.50-88.70, Nov 89.40, Dec 90.30-90.55, Jan 90.80, Feb 91.10, March 90.70, April 89.50, May 85.00.

Orange Juice—Sept 127.50 (126.15), Nov 126.70 (125.80), Jan 127.80-127.95, March 128.75-129.00, May 129.95-130.00, July 130.95-131.00, Sept 131.95-132.00, Nov 132.95-133.00.

CHICAGO, July 20.

Chicago Imm Gold—Sept 362.0-363.5 (350.5), Dec 375.5-374.5 (361.9), March 386.4, June 398.2, Sept 410.2.

EUROPEAN MARKETS

ROTTERDAM, July 21

Wheat—(U.S. $ per tonne): U.S. No. Two Red Winter July 146. U.S. No. Three Amber Durum Aug 173, Sept 177, Oct 180, Nov 183, Dec 187.50. U.S. No. Two Northern Spring 14 per cent Aug 178.50, Sept 178, Oct 182, Nov 184, Dec 188.

Maize—(U.S. $ per tonne): U.S. No. Three Yellow spot 128, afloat 127, July 124.75, Aug 123, Sept 121.50, Oct/Dec 119, Jan/March 127 sellers.

Soyabeans—(U.S. $ per tonne): U.S. Two Yellow Gulfports July 248, Aug 248.50, Sept 249.50, Oct 243, Nov 248.25, Dec 248, Jan 254, Feb 258.25, March 262 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent afloat 201-202, Aug 210, Sept 213.85, Nov/March 223.50 traded, afloat 204, July 208, Aug 211, Sept 214, Oct 215, Nov/March 223.50 sellers. Pellets Brazil afloat 217, July 217, mid-July/mid-Aug 215, Aug 217, Sept 222, Oct 228, Nov/March 242 sellers.

PARIS, July 21.

Cocoa—(FFr per 100 kilos): July 1000 asked, Sept 1030/1032, Dec 1080/1100, Mar 1135/1150, May 1175/1185, July 1210/1220, Sept 1245/1255. Sales at call: 22.

MEAT/FISH

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: [illegible]

SMITHFIELD—[illegible]

COVENT GARDEN—[illegible]

INTERNATIONAL COMPANIES and FINANCE

NON-OPERATING GAIN AIDS SECOND QUARTER

First half setback at Dow Chemical

BY TERRY BYLAND IN NEW YORK

DOW CHEMICAL, the second largest U.S. chemicals producer, is having a rough time, in common with others in its sector.

Second-quarter earnings of $197m, equal to $1.02 a share, are reported, against $189m or $1.00 a share for the corresponding 1981 period. But the latest figures include a non-operating gain equal to 62 cents a share arising from the dissolution of Asahi-Dow, a joint venture in Japan.

Dow said it received $162m from the Japanese transaction which was used to reduce short-term debt. Total debt at the end of June was $269m down from end of the previous quarter.

First-half profits were down from $369m or $1.98 a share to $351m or $1.82 a share. The latest figure reflected another extraordinary gain of $57m or 30 cents a share realised in the first quarter from a swap of stock for debentures.

Half-year sales declined 7½ per cent, from $5.98bn to $5.51bn with second quarter revenues sliding 11 per cent from $3.07bn to $2.73bn.

No forecast is provided for the full year but the company expects "significant gains" as soon as demand picks up and operating rates improve. But this will only happen when interest rates fall enough to stimulate the housing and car markets.

In fiscal 1981, Dow earned $564m or $3.00 a share, compared with 1980's record $805m or $4.42 a share. But Wall Street expects profits for the whole of 1982 to fall sharply to around the $2.50 a share level.

● National Distillers and Chemical recorded a fall in second quarter earnings from $35.6m to $18m or from $1.04 to 48 cents a share, after allowing for a loss of 30 cents a share on sales and pending sales of investments in Taiwan and a gain of 13 cents a share on the exchange of shares in former subsidiary Mallinckrodt for Avon Products.

Half-year profits were down from $69.5m or $2.02 a share to $46.4m or $1.29 a share. Sales were $929.3m against $1.03bn for the six months with the second quarter providing $464.9m against $522.3m previously.

Higher sales boost Lockheed

By Our New York Staff

PROFITS AT Lockheed Corporation, one of the largest aircraft contractors in the U.S. are showing the expected improvement now that the L-1011 TriStar has been phased out.

For the second quarter of this year, Lockheed has reported net earnings of $51.8m or $2.68 a share, compared with $34.3m or $2 a share last year.

The 1981 profit is before charging $19.5m on TriStar, which made the final net figure $14.8m.

Sales for the second quarter have moved up from $1.2bn to $1.5bn.

For the first half earnings were $89.3m or $4.69 a share, compared with last year's $64.4m or $3.98 a share. Last year's figure excludes a charge of $36.1m on TriStar, which was partially offset by a $22.8m gain from the exchange of preferred stock for debentures. Including these, the final net figure for the 1981 first half is $51.1m.

The company said that higher sales and decreased interest charges were the major factors behind the increase.

● Northrop, the U.S. aerospace group, plunged to a second quarter loss of $1.6m or 11 cents a share from a 5.2m profit, or 35 cents a share. Sales rose to $565m from $467.1m.

The first half loss of $23.9m or $1.59 a share compares with a profit last year of $28.3m or $1.97 a share. Sales were $1.06bn, against $902.3m.

The figures for both quarter and half benefited by $35m from a revision of tax estimates. Development and production expenses for the F-5G fighter plane were $88.5m in the quarter, against $34.5m, and $161.8m for the half, against $52.7m.

Second dollar Eurobond in fortnight for Mexico

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

MEXICO IS bringing a high yielding issue to the dollar Eurobond market for the second time in a fortnight. Its state development bank, Nafinsa, is expected to launch a $50m 18¾ per cent bond through Lloyds Bank International today.

The three-year issues, priced at par, is expected to be marketed more as a private placement to large-scale investors than the previous issue, a $175m bond for the United Mexican States (UMS) which was launched last week through Merrill Lynch.

Early next week, Merrill Lynch is expected to bring a third Mexican issue to the market. This will be an issue of at least $50m for the state telephone authority, Telefonos de Mexico, bringing the total Mexican paper launched in the dollar bond market to almost $300m in two weeks.

Mexico's willingness to pay very high interest rates—the UMS bond bore a record 18½ per cent coupon — underlines the urgency with which it is now seeking money on international capital markets.

Bankers noted yesterday that the coupon on the Nafinsa issue is only fractionally lower than that on the UMS issue, despite the sharp decline in rates that has taken place over the past week.

But they added that most of this decline has taken place at the short-term end of the market. Eurobond yields have no dropped much, partly because of the weight of new issues; the total of those issued since last Monday has reached almost $1bn.

Yesterday the Canadian province of Newfoundland entered the fray with a $75m eight-year 15½ per cent issue through Credit Commercial de France and Dominion Securities. Issue price will be set later.

Otherwise the flow of new paper dried up. The market is taking time to digest existing offerings. The aggressively priced $100m General Motors Acceptance Corporation Bond, with its 14½ per cent coupon, was again cited as the least popular of the new issues. It was quoted at a discount of 2½ per cent midpoint.

Bankers said that despite the sharp decline in short-term rates—six month Eurodollars fell ¾ point to 13½—investors were still hesitant about putting new cash into the market. Part of the problem seems to be quality consciousness, which has led to resistance to the large volume of Canadian paper on offer.

But the lower short-term rates mean that for once the yield curve is strongly positive. Banks can finance their inventory at a profit and there was little sign of new issues being dumped on to the market, although several bankers noted that seasoned issues can be picked up in the secondary market at more attractive yields than those on some of the new issues.

Overall dollar Eurobonds closed little changed to slightly higher, and a similar pattern prevailed in Continental bond markets.

In West Germany, the coupon on the City of Vienna DM 100m 10-year issue was cut by ¼ point to 9¾ by lead manager Bayerische Vereinsbank. Sperry Rand is raising DM 75m through a seven-year private placement with a coupon of 9½ per cent priced at par by BHF Bank.

In Switzerland, Eldorado Nuclear of Canada is raising SwFr 100m through a 10-year issue with an indicated yield of 6¾ per cent led by UBS.

The Asian Development Bank is raising Y15bn through a 10-year Euroyen issue with an indicated coupon of 8½ per cent led by Daiwa Securities.

● Cedel announced yesterday that it had linked up with the Deutsche Auslandskassenverein to provide a clearing service for D-mark denominated Eurobonds.

Chrysler sells $500m of receivables

By Our New York Staff

CHRYSLER FINANCIAL, the sales financing subsidiary of the car company, has sold $500m of retail receivables to Manufacturers Hanover Trust and 38 other banks. The banks have agreed to include a revolving credit facility allowing Chrysler Financial to keep the $500m as assets until the end of next year.

This is the first new credit facility obtained by Chrysler Financial in more than two years. Mr Robert Miller, vice-president of finance at Chrysler, said it demonstrated "the financial community's confidence in Chrysler Corporation."

The financing subsidiary will use the proceeds of the deal to take up more receivables from the dealer chain, Mr Miller said. The added capacity would enable Chrysler to finance "up to 100,000 additional vehicles."

Earlier this week, the parent company reported a second quarter profit of $107m.

First Boston doubles earnings

BY PAUL BETTS IN NEW YORK

FIRST BOSTON, the Wall Street investment bank which has been at the centre of the surge in big corporate mergers in the U.S. over the past year or so, has reported sharply higher second quarter and first half earnings.

Net earnings in the quarter more than doubled to $12.7m or $2.2 a share from $6.1m or $1.11 a share. First half earnings were also more than double at $28.1m or $4.93 a share compared to $13.1m or $2.40 a share.

Revenues were $87m for the second quarter and $172m for the first half, compared to $58m and $118m in the same periods last year.

The first half results were the highest in the company's history and reflected the strong performance of the security trading and investment banking businesses, said First Boston.

● Crocker National, the holding company of Crocker Bank which is part of the Midland Bank group of the UK, yesterday blamed a sharp increase in the volume of assets which are not producing income for a 30.2 per cent drop in second quarter net income, writes our New York Staff.

Despite a 22.9 per cent increase in total assets which grew to $24bn, the group reported second quarter net income of $14.6m or 73 cents a share, against $20.9m or $1.42 a share last year. This leaves first half earnings down 15.5 per cent at $32.6m or $1.65 a share, against $38.6m or $2.62 per share in 1981.

Fully diluted income per share in the second quarter was 73 cents, against $1.33 last year. For the half-year the figure was $1.64 against $2.46.

The reduction in net income reflected the impact of an increase in non-performing assets from $298m on June 30 last year to $743m on the same date this year in non-performing assets.

● Wells Fargo, owners of California's third largest bank, lifted net operating profits from the second quarter from $23.8m to $27.9m or from $1.03 to $1.16 a share. Half-year profits were $65.3m or $2.71 a share against $62.6m or $2.72 a share last year.

American Airlines breaks even

BY OUR NEW YORK STAFF

AMERICAN AIRLINES, the third largest domestic carrier in the U.S., barely broke even in the second quarter, after a large deficit in the first quarter.

It turned in second quarter profits of $466,000 compared with a profit of $27.8m in the same period last year. At the per share level, this came out as a loss of 9 cents after provision for preferred dividends against a profit of 82 cents.

After the first quarter deficit, this brought first half losses to $41.2m or $1.64 a share compared with profits of $31.7m or 87 cents a share. Last year's figure included a tax credit of $8.92m.

Second quarter revenues held steady; 1.04bn against $1.05bn, bringing first half revenues to $1.99bn against $2bn.

The sharp second quarter earnings fall for American Airlines was not unexpected, given the price cutting battle for Dallas Airport traffic after the Texas-based Braniff filed for Chapter II bankruptcy earlier this year.

American took over Braniff's Dallas/Fort Worth to London route in May.

Mr Albert Casey, chairman and chief executive warned yesterday that fare discounting remained a problem. The third quarter would bring good results, but the outlook for the fourth quarter and for the early part of next year was less certain.

"The industry's financial results continue to be extremely disappointing, and there seems little likelihood of a sustained economic recovery anytime soon," he said.

Schering-Plough edges ahead

By Our Financial Staff

EARNINGS at Schering-Plough, the drugs, cosmetics, toiletries and household products maker, were curbed in the second quarter by the strength of the dollar.

Second quarter profits moved ahead only marginally from $50.7m or 94 cents a share to $51.1m or 95 cents a share on sales of $475.9m against $465.4m.

This left first half profits 8 per cent lower at $109.7m or $2.03 a share against $119.1m or $2.21 on sales of $969m against $972.5m.

But the company, which derives almost half its sales from abroad, said that if foreign exchange factors were eliminated, second quarter earnings and sales would have risen about 11 per cent

By the same token, first half profits per share would have risen by about 2 per cent, and sales by about 9 per cent.

$104m loss at Republic Steel

BY OUR NEW YORK STAFF

FURTHER BLEAK news came from U.S. steel industry yesterday in the form of an operating loss of $137.7m in the second quarter at Republic Steel, the country's fourth largest producer.

At the net level, Republic showed a loss of $85.2m or $5.27 a share for the second quarter, after taking a charge of $19.3m on a plant closure plus an income tax credit of $71.7m. Last year the group returned a $43m profit.

At the half-way stage, Republic shows an operating loss of $108.7m and a net loss of $104m, or $6.43 a share, taking in the effects of an accounting change, against a profit of $75.6m or $4.68 a share in 1981.

Sales fell from $2.3bn to $1.6bn in the six months, with second quarter revenues down from $1.18bn to $744.8m.

Second quarter slide at Alcan

By Our Financial Staff

ALCAN ALUMINIUM, the Canadian group which shares world leadership in aluminium with Alcoa of the U.S., suffered a further severe setback in the second quarter. Earnings fell to US$5m or six cents a share from US$89m or US$1.09 a share on revenues of US$1.19bn against US$1.34bn.

Six-month income fell to US$17m or 20 cents a share from US$171m or US$2.10 a share on sales of US$2.43bn against US$2.64bn.

The company blamed a continuing decline in ingot prices, although sales had risen from 262,700 tons to 346,300 tons in the first six months. The increased sales, mainly to Asian markets, had led to a decline in total aluminium stocks for the second consecutive quarter.

$250m Greek loan terms detailed

BY OUR EUROMARKETS CORRESPONDENT

TERMS of the new $250m loan package for Greece's state energy authority Public Power Corporation show that it will be a test of the market's willingness to accept longer maturities on loans for southern European borrowers.

It emerged yesterday that the conditions, which had hitherto been kept secret, involve a nine-year life with a margin of ½ per cent over Eurodeposit rates. Repayments will start after a six-year grace period.

These conditions apply both to the $170m Eurocredit and to the $30m equivalent portion of the package which will be raised in sterling. The remaining $50m of the total involves a floating rate note which will also have a long maturity of 12 years.

One symptom of the recent uncertainty in the Euromarkets has been the tendency for maturities on loans to be shorter than those applied to Public Power. But the loan, which is one of the few currently being arranged in Europe attracted considerable competition and the borrower is a notoriously hard bargainer.

The terms of the package, which is being co-ordinated by Orion Royal Bank, compare with a margin of ½ per cent for eight years on the $550m credit arranged by the Greek central bank last spring.

NORTH AMERICAN QUARTERLY RESULTS

ACME-CLEVELAND

	1981-82 $	1980-81 $
Third quarter		
Revenue	77.4m	98.9m
Net profits	4.31m	8.85m
Net per share	0.95	0.84
Nine months		
Revenue	276.4m	309.5m
Net profits	13.98m	10.90m
Net per share	3.09	2.40

AMSTED INDUSTRIES

	1981-82 $	1980-81 $
Third quarter		
Revenue	156.6m	211.0m
Net profits	8.63m	12.85m
Net per share	0.62	1.18
Nine months		
Revenue	478.0m	647.1m
Net profits	12.5m	41.3m
Net per share	1.16	3.82

BALL CORPORATION

	1982 $	1981 $
Second quarter		
Revenue	244.8m	218.4m
Net profits	10.45m	6.04m
Net per share	1.92	1.71
Six months		
Revenue	469.2m	395.0m
Net profits	15.98m	12.18m
Net per share	2.95	2.31

BENDIX CORPORATION

	1981-82 $	1980-81 $
Third quarter		
Revenue	1.06bn	1.16bn
Net profits	38.07m	77.82m
Net per share	1.66	3.39
Nine months		
Revenue	3.2bn	3.4bn
Net profits	116.25m	389.08m
Net per share	5.21	15.56

BRUNSWICK CORPORATION

	1982 $	1981 $
Second quarter		
Revenue	276.2m	282.4m
Net profits	8.57m	18.1m
Net per share	0.73	0.90
Six months		
Revenue	546.2m	549.7m
Net profits	226.2m	34.8m
Net per share	13.78	1.63

CAPITAL CITIES COMMUNICATIONS

	1982 $	1981 $
Second quarter		
Revenue	172.4m	144.1m
Net profits	27.85m	24.30m
Net per share	2.10	1.85
Six months		
Revenue	321.8m	267.1m
Net profits	45.86m	40.66m
Net per share	3.47	3.10

CINCINNATI MILACRON

	1982 $	1981 $
Second quarter		
Revenue	210.6m	224.2m
Net profits	8.89m	14.0m
Net per share	0.39	0.62
Six months		
Revenue	426.3m	439.8m
Net profits	20.2m	26.5m
Net per share	0.88	1.17

ADOLPH COORS

	1982 $	1981 $
Second quarter		
Revenue	227.9m	243.9m
Net profits	12.44m	18.3m
Net per share	0.36	0.52
Six months		
Revenue	415.89m	433.65m
Net profits	17.09m	21.34m
Net per share	0.49	0.61

COX BROADCASTING

	1982 $	1981 $
Second quarter		
Revenue	131.3m	101.7m
Net profits	18.9m	18.4m
Net per share	0.66	0.61
Six months		
Revenue	240.2m	184.2m
Net profits	32.2m	26.8m
Net per share	1.13	0.99

CROSS & TRECKER

	1981-82 $	1980-81 $
Third quarter		
Revenue	107.1m	112.1m
Net profits	11.0m	10.8m
Net per share	0.88	0.87
Nine months		
Revenue	307.3m	310.0m
Net profits	31.3m	30.2m
Net per share	2.53	2.44

DAN RIVER

	1982 $	1981 $
Second quarter		
Revenue	141.0m	177.3m
Net profits	154,000	4.12m
Net per share	0.02	0.77
Six months		
Revenue	272.4m	333.3m
Net profits	1.57m	7.13m
Net per share	0.27	1.23

DENNISON MANUFACTURING

	1982 $	1981 $
Second quarter		
Revenue	144.6m	141.3m
Net profits	4.69m	6.21m
Net per share	0.47	0.63
Six months		
Revenue	282.9m	287.6m
Net profits	7.81m	11.75m
Net per share	0.80	1.20

DUKE POWER

	1982 $	1981 $
Second quarter		
Revenue	531.2m	426.2m
Net profits	83.0m	80.1m
Net per share	0.72	0.76
Six months		
Revenue	1.12bn	172.8m
Net profits	229.3m	172.8m
Net per share	2.14	1.66

FIRST INTERSTATE BANCORP

	1982 $	1981 $
Second quarter		
Net profits	58.39m	62.35m
Net per share	1.42	1.55
Six months		
Net profits	116.2m	125.2m
Net per share	2.83	3.11

B. F. GOODRICH

	1982 $	1981 $
Second quarter		
Revenue	793.5m	828.5m
Net profits	19.4m	26.5m
Net per share	0.95	1.38
Six months		
Revenue	1.5bn	1.6bn
Net profits	1.00m	53.8m
Net per share	—	2.87

HASBRO INDUSTRIES

	1982 $	1981 $
Second quarter		
Revenue	35.1m	27.4m
Net profits	1.55m	1.01m
Net per share	0.71	0.46
Six months		
Revenue	57.4m	47.2m
Net profits	2.49m	1.80m
Net per share	1.14	0.82

HARVEY HUBBELL

	1982 $	1981 $
Second quarter		
Revenue	109.1m	118.3m
Net profits	9.5m	9.65m
Net per share	0.73	0.74
Six months		
Revenue	221.2m	220.0m
Net profits	17.79m	17.92m
Net per share	1.36	1.37

HOUSTON INDUSTRIES

	1982 $	1981 $
Second quarter		
Revenue	947.4m	759.7m
Net profits	61.48m	48.04m
Net per share	0.78	0.70
Year		
Revenue	3.46bn	2.69bn
Net profits	245.9m	197.3m
Net per share	3.35	3.07

ILLINOIS TOOL WORKS

	1982 $	1981 $
Second quarter		
Revenue	119.5m	118.8m
Net profits	11.02m	11.74m
Net per share	0.89	0.96
Six months		
Revenue	232.7m	220.8m
Net profits	20.29m	22.89m
Net per share	1.65	1.87

JOHNSON CONTROLS

	1981-82 $	1980-81 $
Third quarter		
Revenue	270.9m	248.3m
Net profits	7.69m	6.64m
Net per share	0.55	0.47
Nine months		
Revenue	849.1m	802.8m
Net profits	35.4m	33.0m
Net per share	2.52	2.35

KIMBERLY-CLARK

	1982 $	1981 $
Second quarter		
Revenue	729.3m	708.1m
Net profits	58.9m	55.7m
Net per share	2.62	2.44
Six months		
Revenue	1.46bn	1.44bn
Net profits	116.6m	115.9m
Net per share	5.24	5.07

KNIGHT-RIDDER

	1982 $	1981 $
Second quarter		
Revenue	336.1m	313.9m
Net profits	27.9m	28.6m
Net per share	0.85	0.82
Six months		
Revenue	647.7m	604.8m
Net profits	43.0m	47.2m
Net per share	1.32	1.48

LINCOLN FIRST BANKS

	1982 $	1981 $
Second quarter		
Net profits	8.54m	4.71m
Net per share	1.81	1.28
Six months		
Net profits	12.94m	9.82m
Net per share	3.59	2.71

MEI CORPORATION

	1982 $	1981 $
Second quarter		
Revenue	131.0m	117.3m
Net profits	8.62m	8.04m
Net per share	1.14	0.95
Six months		
Revenue	231.3m	206.2m
Net profits	15.34m	12.67m
Net per share	1.82	1.50

MELVILLE CORPORATION

	1982 $	1981 $
Second quarter		
Revenue	743.6m	660.4m
Net profits	24.5m	31.9m
Net per share	0.94	1.23
Six months		
Revenue	1.36bn	1.43bn
Net profits	29.7m	37.0m
Net per share	1.14	1.43

MERCK & CO.

	1982 $	1981 $
Second quarter		
Revenue	774.8m	744.3m
Net profits	111.3m	108.5m
Net per share	1.51	1.46
Six months		
Revenue	1.52bn	1.47bn
Net profits	221.1m	220.3m
Net per share	2.99	2.96

MISSOURI PACIFIC

	1982 $	1981 $
Second quarter		
Revenue	578.1m	579.7m
Net profits	47.96m	49.58m
Net per share	3.05	3.16
Six months		
Revenue	1.3bn	1.27bn
Net profits	97.03m	102.37m
Net per share	6.17	6.51

NATIONAL GYPSUM

	1982 $	1981 $
Second quarter		
Revenue	237.3m	257.7m
Net profits	2.99m	11.5m
Net per share	0.18	0.72
Six months		
Revenue	441.2m	480.5m
Net profits	4.10m	20.1m
Net per share	0.26	1.23

NORTHWEST INDUSTRIES

	1982 $	1981 $
Second quarter		
Revenue	671.5m	779.3m
Net profits	76.7m	60.2m
Net per share	3.77	1.95
Six months		
Revenue	1.47bn	1.48bn
Net profits	171.3m	108.9m
Net per share	7.87	3.53

OHIO EDISON

	1982 $	1981 $
Second quarter		
Revenue	328.8m	293.5m
Net profits	42.09m	35.82m
Net per share	0.42	0.40
Year		
Revenue	1.37bn	1.15bn
Net profits	205.9m	135.2m
Net per share	2.25	1.49

PHIBRO-SALOMON

	1982 $	1981 $
Second quarter		
Revenue	6.02bn	6.93bn
Net profits	81.0m	68.0m
Net per share	0.90	0.99
Six months		
Revenue	11.99bn	12.84bn
Net profits	105.0m	129.0m
Net per share	1.54	1.88

PUBLIC SERVICE ELEC. & GAS

	1982 $	1981 $
Second quarter		
Revenue	872.7m	733.3m
Net profits	71.53m	52.94m
Net per share	0.67	0.51
Six months		
Revenue	2.02bn	1.72bn
Net profits	154.9m	130.3m
Net per share	1.48	1.36

RALSTON PURINA

	1981-82 $	1980-81 $
Third quarter		
Revenue	1.20bn	1.24bn
Net profits	50.2m	39.2m
Net per share	0.48	0.38
Nine months		
Revenue	3.68bn	3.40bn
Net profits	152.1m	142.5m
Net per share	1.43	1.32

REICHHOLD CHEMICALS

	1982 $	1981 $
Second quarter		
Revenue	218.8m	254.3m
Net profits	2.87m	4.63m
Net per share	0.31	0.56
Six months		
Revenue	432.7m	493.1m
Net profits	6.21m	9.24m
Net per share	0.69	1.12

REVCO

	1981-82 $	1980-81 $
Fourth quarter		
Revenue	498.5m	441.4m
Net profits	17.16m	14.35m
Net per share	0.83	0.70
Year		
Revenue	1.55bn	1.31bn
Net profits	49.64m	45.73m
Net per share	2.42	2.21

A. H. ROBINS

	1982 $	1981 $
Second quarter		
Revenue	116.0m	103.6m
Net profits	10.91m	8.04m
Net per share	0.45	0.32
Six months		
Net profits	22.19m	21.89m
Net per share	0.90	0.86

ROYAL CROWN

	1982 $	1981 $
Second quarter		
Revenue	119.6m	117.6m
Net profits	4.45m	4.05m
Net per share	0.64	0.49
Six months		
Revenue	228.8m	223.9m
Net profits	7.45m	6.18m
Net per share	0.91	0.75

SOUTHAM

	1982 $	1981 $
Second quarter		
Revenue	208.2m	202.4m
Net profits	7.33m	14.4m
Net per share	0.59	1.18
Six months		
Revenue	414.1m	391.4m
Net profits	15.3m	24.4m
Net per share	1.23	1.96

SOUTHWEST AIRLINES

	1982 $	1981 $
Second quarter		
Revenue	82.9m	72.2m
Net profits	6.98m	9.87m
Net per share	0.96	0.98
Six months		
Revenue	149.8m	134.4m
Net profits	13.5m	17.0m
Net per share	1.29	1.72

A. E. STALEY

	1981-82 $	1980-81 $
Third quarter		
Revenue	404.0m	465.3m
Net profits	19.79m	24.58m
Net per share	0.70	1.10
Nine months		
Revenue	1.20bn	1.8bn
Net profits	47.7m	85.1m
Net per share	2.10	3.83

STAUFFER CHEMICAL

	1982 $	1981 $
Second quarter		
Revenue	305.6m	377.1m
Net profits	17.25m	23.1m
Net per share	0.40	0.52
Six months		
Revenue	935.8m	1.01bn
Net profits	99.31m	110.9m
Net per share	2.26	2.52

TRW INC.

	1982 $	1981 $
Second quarter		
Revenue	1.35bn	1.35bn
Net profits	61.7m	63.9m
Net per share	1.76	1.86
Six months		
Revenue	2.68bn	2.72bn
Net profits	105.8m	118.9m
Net per share	3.01	3.46

UNION PACIFIC

	1982 $	1981 $
Second quarter		
Revenue	1.53bn	1.63bn
Net profits	100.1m	85.58m
Net per share	1.04	0.89
Six months		
Revenue	2.82bn	3.14bn
Net profits	148.1m	163.2m
Net per share	1.54	1.70

UTD. ARTISTS COMMUNICATIONS

	1981-82 $	1980-81 $
Third quarter		
Revenue	74.5m	57.5m
Net profits	2.1m	†1.97m
Net per share	0.39	†0.39
Nine months		
Revenue	196.4m	168.5m
Net profits	3.83m	†1.71m
Net per share	0.71	10.32

† Loss.

VF CORPORATION

	1982 $	1981 $
Second quarter		
Revenue	208.5m	174.9m
Net profits	21.0m	12.5m
Net per share	2.50	1.55
Six months		
Net profits	35.2m	23.8m
Net per share	4.34	2.95

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Wednesday August 18. Closing prices on July 21

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aetna Life 15 86/97	150	104⅜	104⅞	+0¼	+1⅛	13.28
Amex Int. Fin. 16¼ 92	75	98⅛	98⅞	+0⅛	+1½	16.49
Amex O/S Fin. 14¼ 98	75	95⅞	96⅜	+0⅛	+1½	15.16
ATT 14⅛ 89	400	104⅝	105⅛	0	+1⅛	13.03
Baker Int. Fin. 0.0 92	225	25⅜	25⅞	0	+0⅛	14.85
BHP Finance 14⅛ 98	150	96⅛	96⅝	+0⅛	+1¼	15.55
Bk. Amer. NT SA 12 87	200	81⅞	82½	0	+1⅛	14.44
Bk. Montreal 14½ 87	100	94½	94⅞	−0⅛	+0¼	16.22
Bque. Indo Suez 15 89	100	96⅞	97⅜	+0⅛	+1⅛	15.68
British Col. Hyd. 14⅛ 89	200	98½	98	−0⅛	+1⅛	15.01
Burroughs Int. 15⅜ 88	50	101⅞	102⅜	+0⅛	+2	15.10
Canada 14⅜ 87	750	98⅜	98⅞	0	+0⅞	14.76
Canadair 15½ 87	150	100⅝	101⅛	+0⅛	+0⅞	15.11
Canadian Pac. 14⅝ 92	75	94½	95	−0¼	+0⅛	16.68
Carolina Power 16½ 98	60	103½	104	+0¼	+2¼	15.51
CIBC 16 87	100	97⅞	98⅜	0	+0⅛	16.52
Citicorp O/S 15 84/92	100	100	100½	−0¼	+0⅛	14.69
Citicorp O/S 15½ 85/97	125	100½	101	0	+0⅞	15.01
CNA 15⅞ 87	75	98⅜	98⅞	+0¼	+2	16.06
Con. Illinois 15⅜ 89	100	98⅞	99⅜	0	+0⅝	16.06
Duke Pwr. O/S 15½ 98	80	98⅛	98⅝	+0⅛	+2⅛	15.85
Dupont O/S Cap. 0.0 90	300	35	35½	0	+1⅛	14.37
ECSC 14⅛ 87 (April)	90	98	98½	+0¼	+1⅛	15.23
EIB 15½ 89	150	99⅝	100⅛	+0⅛	+0¼	15.47
EIB 15½ 92	100	98	98½	+0¼	+0⅛	15.86
Exportfinans 14½ 89	50	97⅞	98¼	+0¼	+1⅛	14.95
Gen. Elec. Credit 0.0 92	400	28⅛	28⅝	+0⅛	+0⅝	14.01
Gen. Elec. Credit 0.0 93	400	24⅞	25⅜	+0⅛	+1⅛	13.96
Getty Oil Int. 14 89	125	99⅞	100⅜	+0⅛	+2	13.93
GMAC O/S Fin. 16 88	150	102⅛	102⅝	0	+1⅛	15.22
GMAC O/S 15⅛ 85/87	100	99⅝	99⅞	−0⅛	+0⅛	15.44
GMAC O/S Fin. 15 89	125	99	99½	−0⅛	+1½	15.15
GMAC O/S Fin. 15 87	100	100	100½	−0⅛	+0⅝	14.88
Gulf Canada Ltd 14⅛ 92	100	97⅛	97⅝	+0⅛	+1⅛	15.21
Gulf Oil 14⅛ 94	175	99⅛	99⅝	+0⅞	+1⅞	14.28
Gulf Oil Fin. 0.0 92	300	27⅜	28⅛	0	+0⅝	14.16
Gulf States O/S 16 90	60	†95⅜	96⅛	+0⅛	+1	16.91
Int-Am. Dv. Bk. 15⅜ 87	55	98⅜	98⅝	0	+0⅛	16.51
Japan Dev. Bk. 15⅛ 87	50	103	103½	+0⅛	+1⅛	14.40
New Brunswick 16¾ 89	75	102⅞	103⅜	0	+1⅛	15.39
Ontario Hydro 14⅜ 98	160	98⅝	99⅛	−0½	+0⅛	14.98
Pac. Gas & El. 15½ 89	45	102⅛	102⅝	+0⅛	+1⅝	14.83
Phillips Petrol 14 89	200	97⅛	97⅝	+0⅛	+1⅛	14.60
R.J. Rynlds. O/S 0.0 92	400	27½	28	0	+0⅛	14.32
Saskatchewan 16 89	125	102⅞	103⅜	+0½	+1½	15.16
Shell Canada 14⅛ 92	125	96½	97	0	+1	15.00
Spain 15⅛ 87	100	99⅝	100⅛	+0⅛	+1⅛	15.71
Superior O/S Fin. 14 89	125	97⅛	97⅝	+0⅛	+2½	14.60
Swed. Exp. Cr. 15⅛ 89	100	99⅛	99⅝	+0⅛	+1½	15.34
Swed. Exp. Cr. 14⅜ 90	100	94⅞	95⅜	0	+1⅛	15.84
Swed. Exp. Cr 0.0 94	200	20	20½	+0⅛	+0⅛	14.71
Texas Eastern 15⅛ 89	50	101	101½	+0⅛	+0⅛	15.41
Union Carbide 14⅜ 89	160	100⅛	100⅝	0	+1½	14.62
Wells Fargo I. F. 15 87	75	99	99½	0	+0⅛	15.16
World Bank 14⅛ 87	500	96½	97	−0⅛	+0⅛	15.20
World Bank 15⅛ 89	250	100⅛	100⅝	+0⅛	+1	15.04

Average price changes... On day 0 on week +1

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 6⅛ 92	150	98½	99	0	+0⅛	9.44
Australia 9⅛ 91	200	103⅛	103⅞	0	+0⅛	8.76
Austria 8⅛ 92	100	94⅞	95⅛	0	−0⅛	8.16
Barclays O/S In. 8⅞ 94	100	95⅜	96⅛	+0⅛	+0⅛	8.93
Bowater Int. Fin. 8½ 88	50	95⅜	95⅞	−0½	+0⅛	8.38
Canada 8½ 89	200	102⅞	103⅛	0	+0⅛	7.95
Comp. Tel. Esp. 10⅛ 92	100	100½	101	0	0	10.35
Cred. Foncier 8⅛ 92	100	96⅜	95⅞	+0⅛	+0⅛	8.28
Denmark 10⅛ 92	100	102⅝	103⅛	+0⅛	+0⅛	9.63
EDF 8⅞ 92	100	100⅜	101⅛	+0⅛	0	8.73
EIB 8⅛ 92	100	94⅝	95⅛	0	−0⅛	9.16
Int.-Am. Dev. Bk. 9 92	150	97⅛	97⅞	0	+0⅛	8.37
Nacnl. Financiera 11 90	150	96⅞	97⅜	0	+0⅛	11.56
Norsk Hydro 8½ 92	100	98⅜	98⅞	+0⅛	+0⅛	8.73
Philips Lamps 8½ 92	100	98⅝	99⅛	+0⅛	+0⅛	8.67
Philip Morris 8⅛ 90	100	99⅜	100⅛	0	+0⅛	8.24
Quebec 10⅛ 92	150	101⅛	102⅛	0	−0½	8.69
Renfe 10 92	100	99⅞	100⅜	−0⅛	0	9.97
SNCF 8⅛ 92	100	95⅜	96⅛	−0⅛	+0⅛	8.25
Tauernautobahn 9⅞ 94	50	102½	103	+0⅛	+0⅛	8.51
Tenneco Int. 9 92	100	98⅜	98⅞	+0⅛	+0⅛	9.21
World Bank 9½ 89	100	100⅜	101⅛	+0⅛	+0⅛	9.30
World Bank 8½ 92	200	95⅜	96⅛	+0⅛	+0⅛	9.17

Average price changes... On day 0 on week +0½

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 6⅛ 92	100	101½	101⅞	−0⅛	+0⅛	6.07
Asian Dev. Bank 7 92	100	101⅞	102⅜	0	0	6.71
Austelec 7⅛ 92	80	99	99½	0	+0⅞	7.85
Austria 6½ 94	100	104½	104⅞	0	0	5.94
BNP 6⅞ 92	100	97⅞	98⅛	+0½	+0⅜	7.03
Cse. Nat. l'Energie 7 92	100	101⅛	101⅝	+0⅛	+0⅛	6.81
CFE-Mexico 8⅛ 92	50	†95	95½	−1	−2¼	8.99
Co-op. Denmark 8⅛ 92	25	105⅛	105½	+0⅛	+0⅛	7.56
Crown Zellerbach 6⅞ 92	100	99⅞	100	0	+0⅛	6.78
Europarat 7⅛ 92	100	†101⅛	101⅝	−0⅛	+0⅛	7.01
Ind. Fund Finland 6⅞ 92	30	98⅞	99	+0⅛	+0⅛	6.91
Japan Dev. Bank 6 94	100	100½	100⅞	−0⅛	+0⅛	6.92
Kobe City 6⅛ 92	100	101	101⅛	+0⅛	+0⅛	5.97
Kommunlane 7⅛ 92	35	101½	101⅞	+0⅛	+0⅛	7.05
Lonrho Int. Fin. 7½ 92	80	95⅛	95⅝	+0⅛	+0½	8.20
Mitsui OSK 6½ 92	100	100⅛	100⅝	+0⅛	+0⅛	6.44
Nafinsa 6⅞ 92	80	94⅛	94⅝	+0⅛	+0⅛	6.13
New Zealand 6 92	100	101⅛	101½	0	+0⅛	6.79
Philip Morris 6⅛ 92	100	104⅛	105⅛	−0⅛	+1⅛	5.94
Philip Morris 6⅞ 94	100	102½	103	+0⅛	+1⅛	5.92
Reale 7⅛ 92	80	†98½	99	+0⅛	+1½	7.63
Sekisui Pre. 5⅛ 92 WW	70	104⅜	105	−0½	+0⅞	5.10
Soc. Lux. de Cnt. 8⅛ 92	90	105⅜	106	+0⅛	+0½	7.13
Svenska Handels. 6⅞ 92	100	98⅜	98⅞	+0⅛	0	7.00
Tiroler Wasser 6⅞ 92	100	98⅜	99	+0⅞	+1⅛	6.40
Vorarlberg Kraft 6⅞ 92	50	102⅛	103	−0⅛	+0⅛	6.37

Average price changes... On day +0⅛ on week +0⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
EIB 8⅛ 92	15	97½	98⅛	+0⅛	+0⅛	8.57
Int.-Amer. Dev. 8⅛ 81	15	100⅞	101⅞	0	+0⅛	8.64
Japan Airlines 7⅞ 87	9	95⅛	96	+0⅛	+0⅛	8.06
New Zealand 8⅛ 87	15	99⅛	100⅛	−0⅛	+0⅛	8.34
World Bank 8½ 92	20	98⅞	99⅜	+0⅛	+0⅛	8.48

Average price changes... On day +0⅛ on week +0⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bell Canada 16 89 C$	100	†97	97½	0	0	16.65
Cen. Pac. S. 16⅛ 89 C$	50	†98⅛	98⅞	0	+0⅛	16.70
Crd. Foncier 17⅛ 89 C$	30	†98⅛	99	0	0	17.39
Gaz Metro. 17⅛ 90 C$	20	†97⅞	98⅛	+0⅛	+0⅛	17.67
OKB 16⅛ 88 C$	63	†98	98½	+0⅛	+0⅛	16.71
Q. Hyd. 16½ 89 (My) C$	50	†99½	100	+0⅛	+0⅛	16.52
Quebec Prov. 16½ 89 C$	50	†99½	100	+0⅛	+0⅛	16.52
U. Bk. Nwy. 9½ 90 EUA	18	†92	93½	−0⅛	−0⅛	10.23
Amro Bank 10 87 Fl	150	100⅛	100⅝	+0⅛	+0⅛	6.81
Bk. Mees & H. 10 87 Fl	75	98⅛	99⅛	0	+1⅛	10.11
Eurofima 10½ 89 Fl	50	101	101½	0	+0⅛	10.21
Ireland 10½ 97 Fl	75	98⅜	99⅛	+0⅛	+0⅛	10.74
Phil. Lamps 10⅛ 87 Fl	100	101⅛	101⅝	0	+0⅛	9.81
World Bank 10 87 Fl	150	99⅛	99⅝	+0⅛	+1⅛	10.12
OKB 14 86 FFr	400	92⅜	93⅜	−0⅛	−0⅛	16.60
Solvay et C. 14⅛ 86 FFr	200	92½	93⅛	−0⅛	+0⅛	17.34
Beneficial 14⅛ 90 £ (D)	20	89⅞	90⅛	0	+1⅛	16.57
BFCE 14½ 87 £	30	100⅛	101⅛	0	+1⅛	14.22
BNP 13½ 91 £	15	95⅝	96½	0	+1	14.20
CECA 13½ 88 £	20	96⅜	97½	+0⅛	+1⅛	14.18
Fin. Ex. Cred. 13⅛ 86 £	15	98⅛	99⅛	0	+1⅛	14.09
Gen. Elec. Co. 12½ 89 £	50	94⅜	95⅛	+0⅛	+0½	13.62
Hiram Walker 14½ 86 £	25	99	100	−0⅛	+0⅛	14.26
Norsk Hydro. 14½ 87 £	30	100⅛	101⅛	0	+1½	14.19
Privatbanken 14½ 88 £	12	97⅜	98⅜	0	+0⅛	14.96
Quebec 15½ 87 £	35	103½	103⅞	0	+0⅛	14.36
Reed (Nd) NV 16⅛ 89 £	25	106	107	0	+1	15.06
Royal Trustco 14 86 £	12	99½	100⅛	−0⅛	+0⅛	14.01
SDR France 15½ 92 £	30	101⅛	102⅛	0	+1½	15.10
Swed. Ex. Cr. 13⅛ 86 £	20	98½	99½	0	+0⅛	14.04
Eurofima 10⅛ 87 LuxFr	500	96	97	0	+0⅛	11.39
FIB 9⅞ 88 LuxFr	600	92½	93½	−0⅛	−0⅛	11.50

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish 5⅛ 92	0¼	98⅛	99⅛	15/10	15.69	15.93
Bk. of Tokyo 5⅛ 91 (D)	0⅛	99⅛	99⅜	8/12	15⅛	15.33
Bk. Nova Scotia 5⅛ 93	0⅛	98⅞	99⅛	29/10	15½	15.28
BFCE 5⅛ 88	0⅛	99	99½	28/10	15	15.11
BFCE 5⅛ 87	0⅛	99⅜	99⅞	27/7	16⅛	16.31
Caisse Nat. Tele. 5⅛ 90	0⅛	99⅛	99⅜	21/10	15⅛	15.63
CCCE 5⅛ 2002	0⅛	98⅜	98⅞	11/12	15⅛	15.59
CEPME 5⅛ 92	0⅛	98⅞	99⅜	10/12	15.44	15.52
Chemical NY 5⅛ 94	‡0⅛	99⅛	99⅛	23/9	16.69	16.77
CIBC 5⅛ 94	0⅛	98⅛	98⅜	15/1	15⅛	15.50
Cont. Illinois 5⅛ 94	‡0⅛	98⅛	98⅞	24/9	16⅛	16.62
Credit Agricole 5⅛ 97	0⅛	98⅛	99⅛	24/9	15.44	15.53
Credit du Nord 5⅛ 92	0⅛	99⅝	100⅛	23/12	16.81	16.83
Credit Lyonnais 5⅛ 97	0⅛	99⅜	99⅞	1/10	16	16.10
Credit Lyonnais 5⅛ 94	0⅛	100⅛	100⅝	1/1	16.94	16.85
Credit Nat. 5⅛ 94	‡0⅛	98½	99	9/9	14.69	14.27
Ireland 5⅛ 99/94	0⅛	†98⅛	98⅞	25/11	14⅛	14.97
Kansallis Osake 5½ 92	0⅛	99⅛	99⅝	6/11	15.31	15.41
Lloyds Eurofin 5⅛ 93	§0⅛	98⅛	99⅛	29/10	17⅛	17.19
Long Term Cred. 5⅛ 92	0⅛	98⅛	98⅝	29/11	14⅛	14.83
J. P. Morgan 5⅛ 87	§0⅛	98⅞	99⅛	12/8	14⅛	14.75
Nat. West. Fin. 5⅛ 91	§0⅛	99⅜	99⅞	15/1	15⅛	15.31
New Zealand 5⅛ 87	0⅛	99½	100	7/10	15.56	15.60
Nippon Credit 5⅛ 90	0⅛	99⅛	99⅝	10/8	16.06	16.15
Offshore Mining 5⅛ 91	0⅛	99	99½	2/12	14.19	14.29
PKbanken 5 91	0⅛	99⅛	99⅝	17/12	15.81	15.89
Scotland Int. 5⅛ 92	0⅛	98⅞	99⅛	23/9	15⅛	15.55
Sec. Pacific 5⅛ 91	0⅛	99⅛	99⅝	24/11	15	15.09
Societe Generale 5⅛ 95	0⅛	99⅛	99⅝	1/9	15.31	15.41
Standard Chart. 5⅛ 91	0⅛	98⅞	99⅛	18/11	15⅛	15.04
Swedon 5⅛ 89	0⅛	99⅛	99⅝	26/8	15.31	15.39
Toronto Domin'n 5⅛ 92	0⅛	98⅞	99⅛	11/8	16⅛	16.58

Average price changes... On day 0 on week +0⅛

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	933	87½	88⅛	+0⅛	11.56
Bow Valley Inv. 8 95	4/81	23.12	95	96½	0	60.8[illegible]
Bridgestone Tire 5½ 96	3/82	470	87½	88⅛	+1⅛	3.80
Canon 6⅛ 95	1/81	829	87½	89½	+1	18.26
Canon 7 97	7/82	748.2	97⅛	99½	+1⅛	[illegible]
Chugai Pharm. 7⅛ 96	7/82	709.6	103	104½	−1	9.07
Fujitsu Fanuc 4½ 96	10/81	5641	83½	85¼	+1⅛	20.73
Furukawa Elec. 5⅛ 96	7/81	300	93½	95	+3⅛	−1.13
Hitachi Cable 5⅛ 96	2/82	515	86⅞	88⅛	+1⅞	7.94
Hitachi Cred. Corp. 5 96	7/81	1612	77⅛	79⅛	+1⅛	17.89
Honda Motor 5½ 97	3/82	841	87½	88⅞	+1½	7.58
Kawasaki 5⅛ 96	6/81	229	64½	66½	+1⅛	21.05
Marui 6 96	7/81	846.4	99⅛	100½	+0⅛	6.20
Minolta Camera 5 96	10/81	826.4	82	83⅛	+0⅛	34.38
Minerco 9⅛ 97	5/82	8.16	†83	85	+3	12.70
Murata 5⅛ 96	7/81	2168	69½	71	+1½	32.90
NKK 6½ 96	7/81	193	74⅛	76⅛	+0⅛	−12.15
Nippon Chemi-C. 5 81	10/81	916	†61	63	0	23.46
Nippon Electric 5⅛ 97	2/82	846	93½	94⅛	+2⅛	13.99
Orient Finance 5⅛ 97	3/82	1205	88	89½	−2⅛	6.30
Sanyo Electric 5 96	10/81	652	66½	67⅛	+1⅛	19.04
Sumitomo Elec. 5½ 97	3/82	577.3	90½	91⅛	+2	10.34
Sumitomo Met. 5⅛ 96	10/81	296.1	61⅛	62⅛	+0⅛	39.61
Swiss Bk. Cpn. 6⅛ 90	6/80	191	74½	76½	+0⅛	31.40
Konishiroku 6 90 DM	2/82	565	99⅛	100⅛	+0⅛	5.67
Mitsubishi H. 6 89 DM	2/82	263	89	90½	+0⅛	35.29

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Companies and Markets — INTL. COMPANIES & FINANCE

William Hall examines the banking shocks in the Ambrosiano affair

Italy strains the Basle Concordat

WHEN THE financial scandal surrounding the Banco Ambrosiano group first surfaced, international banks tended to dismiss it as the sort of rather messy incident that occasionally occurs in Italy, but is of little relevance to the rest of the world's financial system.

However, the events of the past week have given bankers a rude shock. The fact that the group's Luxembourg subsidiary, Banco Ambrosiano Holding, has been allowed to default on interest and principal repayments on its borrowings from 250 or so of the world's leading banks, has thrown into question the effectiveness of international bank supervision and the responsibilities of central banks when one of their flock runs into trouble.

At present the Italian rescue of the Ambrosiano group is being limited to the domestic operations and not the offshore ventures. This discriminatory treatment is contrary to what bankers believe to be established practice and many feel that if it is allowed to persist it will marke a very serious breach of international understandings between central banks about their respective responsibilities when a bank gets into difficulties.

Although Banco Ambrosiano's Luxembourg operation borrowed more than $400m from international banks, it is the threat to these understandings, rather than the size of the losses, which most worries the commercial and central banks now eyeing the whole affair.

If the Italian authorities persist in supporting the domestic operations of Banco Ambrosiano while denying similar treament for the group's overseas operations, it could damage the overseas credit rating of other Italian subsidiaries. But much more important, it could precipitate a flight of funds out of offshore financial centres which could destabilise the international money markets. It is this last fear which is now uppermost in many bankers' minds.

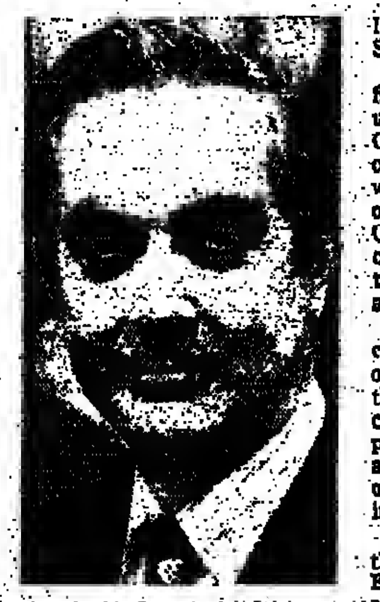
Dr Richard Dale, a financial consultant with the Brooking Institution, has just completed a monograph on "bank supervision around the world" for the Group of 30, a forum of central and commercial bankers, chaired by Dr Johannes Witteveen, the former managing director of the International Monetary Fund.

According to Dr Dale, offshore centres represent a weak link in the international banking supervisory chain and the Ambrosiano affair has highlighted the problems central banks face in some offshore centres, particularly where there are strict secrecy laws.

He believes that the apparent discrimination between Ambrosiano's onshore and offshore operations is a "dangerous and undesirable situation." He feels that it provides a "critical test of the responsibilities of central banks." Judging by the discreet presure being brought to bear on the Italians, his view is shared by many others.

Many bankers believe that the Ambrosiano affair presents a major challenge to the Basle Concordat, the agreement between central bank supervisors about the allocation of responsibilities. Even if the matter is resolved eventually, it has highlighted the fact that the concordat has a number of holes in it.

The concordat was framed following the banking crisis of the early 1970s when a number of banks failed, most notably West Germany's Herstatt Bank in 1974. The governor's of the world's leading central banks were so concerned that they issued a statement in September 1974 to the effect that while it was not practical to lay down in advance detailed rules and procedures for the provision of temporary support to banks experiencing liquidity difficulties, the means were available and would be used when necessary.



Mr Peter Cooke

At the same time the governors decided that there was a need for better surveillance over the international banking system and set up a standing committee—the Committee on Banking Regulations and Supervisory Practices—with members drawn from the Group of Ten major industrialised countries and Switzerland.

The committee met for the first time in February 1975 under the chairmanship of Mr George Blunden of the Bank of England. Two years later he was succeeded by another Bank of England man, Mr Peter Cooke, and since then the committee, which meets three times a year, has been known as the Cooke Committee.

Peter Cooke, and other central bankers, have stressed on more than one occasion that the Basle Concordat related to central banks' supervisory responsibilities and was not an agreement about the provision of lender of last resort facilities in the event of a bank failure.

The aim of the concordat in the words of the Bank of England "is to sustain as far as possible by effective supervision the health and safety of the existing structure. It does not set out to rule on the way in which the pieces of that structure should be picked up if it is broken."

Nevertheless, for many bankers the Basle Concordat is seen as an indication of the central bank's co-operative agreement to stand behind their own institutions in case of trouble and this is why so many bankers are concerned by the implications of the Ambrosiano affair.

The concordat gives a number of guidelines covering the respective supervisory responsibilities of national authorities. In the case of overseas branches the onus rests very much on the parent authority but in the case of overseas subsidiaries, the concordat was rather vague and this is one of the problems with the Ambrosiano affair.

Akzo to start production of 'wonder fibre'

By Walter Ellis in Amsterdam

A JOINT venture between the Dutch Government and Akzo, the biggest Dutch chemicals and fibres group, has been hailed by Mr Jan Terlouw, the Economics Minister, as "an outstanding example of the kind of project that could lead to a renewal of our economic structure."

The Government, through its Northern Industrial Investment Agency, NOM, is putting up half of the Fl 600m required by Akzo to establish production of Arenka, the so-called "wonder fibre" lighter than steel and nearly six times as strong.

Akzo and Dupont, the U.S. chemicals group, have long been engaged in a legal battle over the origins of the new fibre—an Aramid substance related to nylon—but, with the Dutch Government clearly on its side, Akzo now feels that it can move into production without too much fear of unwelcome legal consequences.

It is hoped that the Arenka project will be onstream by 1985. Akzo will be represented by Enka, its fibres division, and the Government end will be handled by NOM. Enka has been developing Arenka since 1968 at a cost of more than Fl 100m ($36.9m).

Initially, the Arenka project will have a production capacity of 5,000 tonnes, with provision for subsequent expansion. Some 400 new jobs will be created—200 at Delfzijl and 200 in Emmen, with a further 100 men employed in an Enka plant in Arnhem, also working on the project.

The equity of the new company will be split equally between Enka and Nom, with each providing an initial Fl 65m.

Disgruntled former shareholders in the Ferenka venture in Antrim, Northern Ireland, which was closed by Enka after mounting losses last year, have complained that the new material could have been made in Antrim.

It is understood, however, that since the raw materials are to be manufactured in the Netherlands, it would have been prohibitively expensive to centre production in Northern Ireland.

IBH expects earnings setback

BY KEVIN DONE IN FRANKFURT

IBH HOLDINGS, the leading European construction equipment group, held sales in the first half of this year at DM 1.2bn ($489m) despite the deep recession in major world markets.

The group had unconsolidated sales last year of DM 2.4bn, and Herr Horst Dieter Esch, chief executive, said yesterday that sales for the current year should total around DM 2.5bn, excluding the latest acquisition of Babcock International's construction equipment division by its subsidiary, Wibau.

As for profits, IBH hopes to break even in 1982 following surpluses of DM 7m and DM 3.3m before and after tax respectively in 1981.

Of sales of DM 1.2bn in the first half of 1982, some DM 536.8m came from production companies based in West Germany, with the rest derived from operations based in the UK, North America, France and Brazil. About 75 per cent of West German sales and 65 per cent of UK turnover came from export markets.

The domestic West German market for building machinery and buiding materials plants is in deep recession. Industry sales last year fell by 31.4 per cent to DM 3.2bn. Production overall showed a small nominal increase of 2.7 per cent to DM 7.2bn solely as a result of a 32 per cent rise in exports to DM 5.5bn.

Industry new orders last year rose by 37 per cent, with the 24 per cent fall in domestic orders being compensated for by a 92 per cent rise in foreign orders. One country, Iraq, placed more orders—at DM 2.5bn—than the whole of the West German market.

IBH sales have also been chiefly underpinned by export orders, particularly from several of the leading oil exporting countries in the Middle East.

The most profitable part of the IBH operations is service and spare parts operations.

Roussel first quarter advance

BY DAVID MARSH IN PARIS

ROUSSEL-UCLAF, the French pharmaceuticals subsidiary of Hoechst of West Germany, registered a 10 per cent increase in group profits in the first quarter this year.

Turnover at both group and parent company level rose sharply, thanks above all to the weakness of the franc, which helped boost the company's exports, particularly to the U.S. and Japan.

The company, in which the French state shortly intends to hold a blocking minority by raising its present 20 per cent stake, reports that group turnover rose to FFr 1.99bn ($343m) in the first quarter, up 22.8 per cent from the same period in 1981. Turnover growth continued at the same rate until the end of May.

First-quarter group net profits were FFr 44m, 10 per cent up on 1981. At the parent company level, turnover rose by 28.2 per cent to FFr 525m, and net profits were up 14.7 per cent to FFr 37.1m.

Underlining the group's efforts to increase capital spending, especially on research, investment during the quarter rose by 23.4 per cent to FFr 73.4m.

With more than 65 per cent of sales going abroad, Roussel has been particularly well placed to take advantage of the weakness of the franc and the strength of the dollar.

Shareholders are due to meet on August 25 to vote a capital increase in order to accommodate the planned share restructuring. Hoechst will retain a majority stake, but its shareholding will be trimmed slightly from 57.5 per cent.

The Government is putting out a general offer to exchange Rousel shares against bonds in order to entice both Hoechst and small shareholders to lower their stakes.

Dutch textiles producer seeks debt moratorium

BY OUR AMSTERDAM CORRESPONDENT

VANHEEK Schuttersveld, a Dutch textiles producer with a workforce of 650 in the northern town of Enschede, has applied to the local civil court for a moratorium on debt repayments. The company incurred losses of Fl 14.6m ($5.3m) last year and Fl 7m in 1980, and has a total accumulated debt of Fl 46m.

Schuttersveld's bankers have been pressing for some time for a reorganisation of the company's activities and have suspended financial assistance.

In the Netherlands, a debt moratorium does not have to lead to bankruptcy. Other larger concerns have benefited from the procedure recently, using the breathing space to attempt a rebuilding of resources. Nevertheless, there are growing fears that a closure may follow, taking unemployment in the Enschede area above 15 per cent.

Schuttersveld makes corduroy. Spinnerij Nederland, nearby, produces the raw material.

Saffra master company ahead

By Our Banking Correspondent

TRADE DEVELOPMENT Bank Holding, the Luxembourg master company for Mr Edmund Saffra's international banking group, increased earnings by 5 per cent to $38m, in the first half to June 30. Earnings per share rose from $2.20 to $2.30.

Net earnings of Republic New York Corporation, the group's 61 per cent owned U.S. subsidiary, fell by 13 per cent to $27m, but TDBH says that "this was fully compensated for by the performance of the rest of the group."

Moevenpick to maintain dividend despite reverse

BY JOHN WICKS IN ZURICH

MOEVENPICK, the Swiss catering group, reports lower profits for the year ended March 1982 but is to maintain its dividend at 15 per cent.

Net profits are 12 per cent down at SwFr 5.1m ($2.4m) following a sharp rise in the charge for depreciation as a result of the company's recent SwFr 36.5m capital spending programme. The North American side also stayed in the red.

The after tax result contrasts with Moevenpick's improved performance at the operating level, where profits rose by just under a tenth to SwFr 27m. The dividend is being maintained on higher capital.

Company chairman Herr Ueli Prager says main expansion goals in the coming years will be in West Germany and in the motorway restaurant sector in Switzerland. In recent months, Moevenpick has bought the Nestle stake in Epicura Holding—the company responsible for Moevenpick catering operations in Germany—and opened new hotels and Swiss motorway restaurants. A Moevenpick bungalow hotel is to open in Egypt next spring.

● Danzas, the forwarding agent, last year booked an unconsolidated turnover of about SwFr 4.2bn ($1.97bn), down from SwFr 4.3bn in 1980. This is disclosed in the first ever annual report published by the 167-year-old company which operates in 36 different countries with a total payroll of nearly 10,500.

Danzas reports that overall business this year has so far been "satisfactory and up to expectations."

GHAFAR BABA BUILDS AN EMPIRE

Pegi Malaysia outgrows its shell

THREE YEARS ago, Pegi Malaysia Berhod, was a small, little-known investment company, struggling to keep its figures in the black. Today, it is oo the threshold of an exciting phase of expansion, following the announcement that it is buying the 51 per cent of Dunlop Malaysian Industries (DMI), the country's biggest tyre manufacturer, held by Dunlop Holdings (DHL) of the UK

Under a complex arrangement, DHL will be paid 255m ringgit (effectively 298m ringgit over two yoars) for its 51 per cent stake in DMI. This places a valuo of 500m ringgit (U.S. $210m) on DMI, or 5 ringgit per share.

Pegi is yet another example of how Malaysian business groups, with strong political connections, havo in recent yoars, taken over shell companies and transformed them into conglomerates.

But Pegi's ouccess in acquiring control of DMI is not without controversy just as Pegi was criticised for its involvement in the purchase in 1981 by Multi-Purpose Holdings, the investment arm of the Malayan Chinese political party, of a 51 per cent stake in Dunlop Malaysian Estates from DHL

To raise the casb required for the latost doal Pogi will undortake an effectivo three-for-ono rights issuo to shareholders. It is to issue 147.4m new shares of one ringgit par valuo, priced ot 1.73 ringgit each. This would bring Pegi's paid-up capital to 196.5m shares.

Apart from tyres, DMI produces a wido range of rubber and sports goods, and has a 34 per cent share in H and R Johnson (Malaysia), a tile manufacturer.

Its turnover last year was 268m ringgit (US$ 114m), up 13 per cent, and net profit was 23.8m ringgit, representing a 14 per cent decline from a year earlior.

Most analysts here are of the opinion that DHL had done well to get 5 ringgit cash for each of their DMI shares. DMI's net asset backing is only 1.55 ringgit per share, and trading was around 4 ringgit before tho doal.

The immediate prospects for DMI are not encouraging in view of the recession, and its having lost substantial Government contracts to Goodyear Malaysia.

Minority sharoholders of DMI are angry with Pegi because the cash offer is not available to them. They are given the choice of exchanging overy 1,000 DMI shares for 2,900 Pegi sbares in a dopressed stock market.

The minority shareholdors in Pogi are not enthusiastic, on the other hand, at the prospects of paying cash for their rights issue. But for Pegi's directors, the acquisition of DMI is a long-term strategic investment in a blue chip company that has heon attractivo when other far bigger Malaysian groups, such as Sime Darby and Malayan United Industries, were also seen as considoring it.

Pegi hegan lifo as Malayan Collieries in 1913 and changed its name in 1973. Until 1979, it had been a struggling oporation, with a paid-up capital of only 7.4m ringgit.

In that year, Goodyield Plaza acquired 41 per cent of Pegi and this was increased to 51 per cent the following yoar. Goodyield Plaza is controlled by the prominent Malay politician and businessman, Mr Ghafar Baba, assisted by two Chinese associates.

When Pegi came under its control, events moved fast. The Pegi-Goodyield combination hegan quiotly to buy shares of Dunlop Holdings Ltd. So that by the end of 1980, the group had acquired over 24m DHL shares, equivalent to nearly 17 per cent of its capital.

Rumours of a takeover btd abounded, and created sufficient concern for the UK Department of Trado to send two inspectors to Malaysia and Singapore to check on the holdings of the Far Eastern interests.

Dunlop Holdings met tho uncertainties by reaching a deal with Multi-Purpose Holdings and Pegi.

DHL's 51 per cent stake in the 55,000 acre Dunlop Estates was hived off and sold for 211m ringgit (U.S.$90m) to the Malaysians.

A joint Pegi-MPH company was set up to operate Dunlop Estates and hold tho 24m shares in Dunlop Holdings. The two Malaysian groups undertook not to increase thoir boldings in Dunlop of the UK further.

This deal generated considerable controversy. Dr Mahathir Mohamed, tho Prime Minister, was angry with tho Malaysian undertaking not to buy further into Dunlop Holdings, whilo other Malay leadors criticisod the sale of Dunlop Estates to a Chinese corporation.

Now that Pegi has prised off the two jewels in Dunlop Holdings' crown, tho 17 per cent stake appears less attractive. It seems likely to be trimmed down when conditions are favourable, although tho links would remain as DHL will continue to supply technology and advice to DMI,

Mr Ghafar and his two Chinese associates are planning far bigger things for the Pegi-Goodyiold group.

There are still some British-owned plantations scattered about Malaysia which might be bought. Somo have good potontial for property development, an area to which Pegi-Goodyiold is expected to turn its attention.

Wong Sulong

ONE DAY in March 1976, Mr Ghafar Baba was at the Royal Selangor Golf Club, when fellow golfers gathered round to offer congratulations.

***He was then the second* most senior leader in the ruling United Malay National Organisation (UMNO) Party and Government, and Datuk Hussein Onn, the Prime Minister, was expected to make him his depnty in the new Cabinet line-up to be announced that afternoon.**

Five hours later, Mr Ghafar summoned officers at his Agriculture Ministry to say goodbye. He was leaving the Government because he had been by-passed in favour of Dr Mahathir, now the Prime Minister.

Like a fellow Malaccan, Tun Tan Siew Sin, before him, who quit as Finance Minister in 1974 after being by-passed for the Deputy Premier's jeb, Mr Ghafar plunged into business.

Tan Tun has carved himself a place in the business world as chairman of Sime Darby, the diversified Malaysian plantations, trading house and industrial concern and Malaysia's biggest non-oil company.

Mr Ghafar is not far behind with his privately owned Goodyield Plaza and publicly listed Pegi.

But unlike Tun Tan, who descends from a wealthy and distinguished line of Straits Chinese, Ghafar comes from a poor rural family. As a schoolboy, he worked as a caddy at the Malacca golf club. He went on to become a schoolteacher and was soon caught up with the pre-independence politics of the 1950s.

Today, after more than seven years out of the Government, the 57-year-old Ghafar still thrives on politics. As UMNO senior vice-president, his influence and grassroot support is still considerable. "Ghafar is a shrewd political operator with few enemies, and that's his biggest business asset," comments a banker.

When the purchase of Dunlop Malaysian Industries goes through, Ghafar will control the company that makes the golf balls be used to pick up as a caddy.

First-half profits at AECI little changed

BY OUR JOHANNESBURG CORRESPONDENT

AECI, South Africa's largest chemical producer, in which Anglo American Industrial Corporation of South Africa and ICI of the UK together bold a 55.5 per cent stake, has reported virtually flat pre-tax profits for the six months ended June.

The profit was R122.3m ($106.m) against R122.1m a year earlier. Turnover rose by nearly 12 per cent, however, to R775.1m ($674m) from R693.2m.

AECI's tax bill fell to R21.3m from R37.1m to leave net profits of R101m against R85m.

The company says that domestic sales volumo was throe por cent lower than in the first half of 1981 as a result of a lowor levet of ecooomic activity, but with improvod efficiencies ot tho group's ammonio plants and savings on operating costs and overheads, trading profit margins were maintained.

The directors expect net trading income for all of this year to be modestly greater than in 1981, although tho improvement will bo more than offset at the attributable level by higher tax and interest charges.

The company bas declared an unchanged interim dividend of 42 cents a share out of earniogs per share of 45.8 cents against 592 cents.

Last year earnings totalled 102.2 cents a sbaro and the dividend total was 55 cents a share. Tho company says tho final dividend this year should be tbe same as last year's 31 cents.

Sharp advance in sales and earnings for ITC

BY P. C. MAHANTI IN CALCUTTA

ITC, tho Indian tobacco and hotel group in which BAT Industries of the UK has a 37 per cont stake, has reported a 32 per cent incroase in sales for tho yoar ended March to Rs 5.7bn ($596m) from Rs 4.3bn a year oarlior.

Pre-tax profits increased by 23 per cent to Rs 168.9m while net profits rose by 18 per cent to Rs 75.4m.

The board has declared a final dividend of 10 per cent making a total of 18 per cent for the year, unchanged from a year oarlier. Tho capital has been enlarged by two scrip Issues in tho past fivo years.

The company also announced plans to issue convertible debentures worth Rs 300m in the noar future. The funds are for the company's expansion programme.

ITC began its diversification into hotels in tho mid-1970s when It was barred by govornment regulations from expanding its markot share in its traditional field of tobacco and cigarettes.

It controls just sbort of 50 per cent of the Indian cigarette markot. It is manufacturing above its government-authorised capacity of about 45bn cigarettos a year and is negotiating for an incroase in the limit to keep pace with the expanding market.

Setback for Jack Chia-MPH

BY OUR FINANCIAL STAFF

JACK CHIA-MPH, the Singapore based diversified trading and publishing group, was hit by higher tax charges and a loss from associated companies in the year to March and group after-tax profits fell by 52 per cent to S$4m (U.S.$1.87m). Turnover was 5 per cent lower at S$69.4m because of the shutdown of the group's timber division. Turnover in other divisions rose by 21 per cent.

Trading profit advanced by 17 per cent to S$9.7m, but a S$1.2m gain in 1980-81, and a loss of S$748,000 by associate companies compared with a S$1.2m profit left pre-tax profit at S$8.3m, down 23 per cent. Tax charges rose by 72 per cent to S$4.3m.

With a S$6.3m extraordinary gain stemming from the company's investment in Haw Par Brothers International partly offset by a S$2.5m loss on the closure of the timber division, attributable profits came to S$7.6m, down just 1 per cent.

The group, which also owns and operates a hotel, has recommended a dividend of 6 conts on capital increased by a one-for-four scrip issue compared with 8 cents for 1980-81.

● SELANGOR PROPERTIES suffered a 14 per cent fall in pre-tax profits to 8.45m ringgit ($3.6m) in the six months to April and a 17 per cent docline in net profits to 5.95m ringgit. The Malaysian company gave no turnover figures and made no comment on the earnings drop.

The property group is paying an unchanged 5 sen interim dividend. The drop in profit followed a rise of 165 per cent in after tax earnings in the year to October 1981.

Bank Leumi to increase capital

By Our Financial Staff

BANK LEUMI, Israel's largest commercial bank, plans to increase its authorised capital by 8 per cont to Sh 10bn ($395m) hy creating 75bn shares of Sh 0.1 each.

A special shareholders meeting to approvo the increaso will be called but tho date and details of the share issue have yet to be announced.

Tho Controller of Banking recently estimated that the country's banks would have to raise a total of Sh 7bn in coming months to prevent the erosion of their capital by inflation.

New Zealand Refining to borrow $750m more

BY OUR FINANCIAL STAFF

BANKS ARE arranging a U.S.$750m loan for New Zealand Refining Company, which is building an oil refinery in New Zealaod.

Tho company borrowed U.S.$500m in 1980 to finance the construction project's initial costs. The new loan is to cover overruns, the expansion of tho project and some initial costs not previously covered.

The loan is being arranged by the four banks, which arranged the initial credit: Lloyds Bank International, Morgan Guaranty Trust Company of New York, Bank of New Zealand, and National Bank of Now Zealand, a Lloyds subsidiary. The loan will mature in 10 years, but maturity can be extended to 11 years if completion of the project is delayed.

Interest for the first two years will bo half a percentage point above the London Interbank offered rate (Libor). For the remaining years, tho margin will be 0.625 points above Libor.

New Zealand Refining's four controlling sharoholders are British Petroleum, Caltex Petroleum (a joint venture company of Standard Oil of California and Toxaco), Mobil, and Royol Dutch/Shell.

VONTOBEL EUROBOND INDICES
14.5.76 = 100%

PRICE INDEX	20.7.82	13.7.82	AVERAGE YIELD	20.7.82	13.7.82
DM Bonds	95.28	95.39	DM Bonds	9.262	9.235
HFL Bonds & Notes	97.79	97.67	HFL Bonds & Notes	10.276	10.312
U.S. $ Strt. Bonds	88.41	87.58	U.S. $ Strt. Bonds	14.419	14.508
Can. Dollar Bonds	89.12	89.43	Can. Dollar Bonds	15.088	16.017

WORLD STOCK MARKETS

Early fresh Dow rise of 6.3

STILL BUOYED by declining interest rates and also boosted by a rise in Gross National Product in the second quarter, Wall Street moved progressively higher in very heavy early trading yesterday.

After ralying 7.33 the previous day, the Dow Jones Industrial Average rose 6.28 further to $838.71 at 1 pm. The NYSE All Common Index added 42 cents at $64.37, while advances led declines by a two-to-one margin. Trading volume swelled to 52.91m shares from Tuesday's 1 pm level of 41.64m.

Second-quarter GNP rose 1.7 per cent, the first increase in the figure since the 1981 third quarter. However, the first and fourth-quarter GNP figures were revised to show greater declines than originally reported.

Analysts said investors still approach the market with caution due to forecasts that the recession is not yet over.

Commerce Secretary Baldridge told a Press conference the recovery will not start until sometime during the third quarter, rather than the end of the second quarter as originally projected by the Administration.

Blue Chip stocks outperformed the rest of the market, indicating heavy buying by institutions. IBM rose ⅞ to $68½ in heavy trading, International Paper was up 1⅞ to $38⅞, Union Carbide ¾ to $43⅜ and Eastman Kodak 1 to $78¼.

Bank stocks benefited from declining interest rates and were both active and higher. Citicorp rose 1⅛ to $25¼, Continental Illinois ⅝ to $15⅛ and J. P. Morgan 1½ to $50.

THE AMERICAN SE Market Value Index was 1.84 higher at 255.96 at 1 pm. Volume 3.6m shares.

Canada

Markets were broadly higher at mid-session, with Metal and Gold issues supported by firmer commodity prices.

The Toronto Composite Index rose 7.8 to 1443.8 on volume of 1.95m shares, while the Gold shares index advanced 42.8 to 1890.2, Metals and Minerals 13.9 to 1346.0 and Oil and Gas 14.5 to 2446.6.

Tokyo

The market was firm at the outset on the back of the overnight rise on Wall Street, but Blue Chips retreated later to end mainly lower on the day with pessimism emerging about any early recovery in the domestic economy. In contrast, speculative issues moved ahead with heavy buying reported for Non-Ferrous Metals, reflecting higher precious metal prices and resources issues such as Oils.

Market sentiment was subdued by a lack of measures to boost the economy at a time when exports are dwindling and the economy remains stagnant, an analyst commented.

The Nikkei Dow Jones Average was a slight 1.94 off on balance at 7,210.56 and the Tokyo SE Index lost 1.07 at 533.38. Trading became reasonably active, volume expanding to 350m shares from Tuesday's 250m.

Internationally popular issues, including Light Electricals, Computer Makers, Autos and Precisions were sold.

Toyota Motor declined Y19 to Y863, Hitachi Y7 to Y563, Toshiba Y5 to Y303, Matsushita Electric Y10 to Y1,030, Canon Y8 to Y722, Honda Motor Y10 to Y730 and Victor Y30 to Y2,070.

Trading house Mitsui lost Y3 to Y309 on news that it was indicted by a U.S. grand jury over accusations that it conspired to import steel into the U.S. at unfair low prices. A trader said the price decline was relatively small because many investors believed the U.S. was over-reacting.

Australia

Responding to the falls in key U.S. interest rates, higher Gold Bullion and other metal prices and stronger Wall Street and London markets overnight, Australian markets picked up sharply yesterday across a broad front.

The All Ordinaries Index advanced 10.7 to 473.3, the Oil and Gas Index 21.3 to 430.4, Metals and Minerals 13.0 to 349.3 and Industrials 8.9 to 622.0.

Overall market leader BHP climbed 22 cents to A$7.12 ahead of tomorrow's expected annual results.

CSR rose 13 cents to A$2.88, while among Minings, Western Mining put on 15 cents to A$3.15, North Broken Hill 11 cents to A$1.85 and MIM 9 cents to A$2.94.

In the Golds sector, GMK moved ahead 50 cents to A$3.35, Central Norseman 45 cents to A$4.55 and Peko 30 cents to A$4.35.

The Oil and Gas group had Vamgas 50 cents higher at A$7.00, Santos up 30 cents at A$5.00 and Alliance Oil 10 cents firmer at A$1.20.

Johannesburg

Gold shares closed sharply higher, boosted by the strong advance in the bullion price and generally higher quarterly profit statements.

However, some counters eased from the day's highs on profit-taking in heavy overseas and local two-way trading. Anglovaal Group mine Hartles gained R5 at R48, while Johannesburg Consolidated group producer Randfontein was up R4.75 at R59.25, after touching R60.00, both after quarterlies. Gencor Group producer Buffels rose R3.25 to R33.00 ahead of quarterlies.

Germany

An early rally in the wake of the overnight Wall Street rise faltered and Bourse prices finished on a mixed note.

Dealers said investors were sceptical that the decline in U.S. interest rates will hold and noted that the Domestic Bond market is attracting most of the buying at the moment.

Of the brightest issues at the close, Schering, in Chemicals, was ahead DM 3.70 at DM 281.20, while Motors had Volkswagen DM 2.60 stronger at DM 141.50 and BMW up DM 1.30 at DM 203.80.

Public Authority Bonds advanced afresh, registering rises extending to 75 pfennigs. The Bundesbank sold DM 72m of paper after selling DM 84.7m on Tuesday.

Paris

Lower U.S. interest rates and Wall Street's rise overnight caused French shares to mainly gain ground in active trading. The Indicateur de Tendance Index improved 1.2 to 113.9.

BSN advanced FFr 33 to FFr 1,378, Carrefour FFr 26 to FFr 1,509 and L'Oreal FFr 23 to FFr 895.

Roussel - Uclaf hardened FFr 1 to FFr 273.5 following news of an estimated 10 per cent rise in net profits for the first quarter of 1982.

Hong Kong

The strong overnight finish on Wall Street on growing optimism about declining U.S. interest rates brought only a cautious response on Hong Kong markets yesterday.

A further initial modest rally was later partially eroded by profit-taking, leaving the Hang Seng Index just 6.79 firmer on the day at 1307.74.

Brokers said investors were treating with caution the possibility of a cut in local interest rates being announced tomorrow, in view of the fact that the market declined after the last local interest rate cut.

Combined turnover on the four exchanges was a light HK$152.80m in the short Wednesday session, against the HK$211.29m total recorded in the full day's trade on Tuesday.

Jardine Matheson managed a rise of 20 cents to HK$18.00, while outside the leaders Swire Properties added 25 cents at HK$7.60 and World International 5 cents at HK$2.85.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

BELGIUM (continued)

HOLLAND

AUSTRALIA

JAPAN (continued)

DENMARK

FRANCE

ITALY

NORWAY

HONG KONG

SINGAPORE

SWEDEN

JAPAN

GERMANY

SOUTH AFRICA

AUSTRIA

SWITZERLAND

BELGIUM/LUXEMBOURG

BRAZIL

NEW YORK Indices

STANDARD AND POORS

NY. S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

International Appointments

COMPANY FOR HOUSING AND HABITAT IN AFRICA (SHELTER-AFRIQUE):

Post of MANAGING DIRECTOR
Post of SECRETARY GENERAL
Position of EXTERNAL AUDITING FIRM

SHELTER-AFRIQUE is a newly established Housing Finance Institution with Headquarters in Nairobi (Kenya). Its membership comprises African Governments as well as regional, sub-regional and non-African institutions. The Company's primary objective is to assist the African Member Governments in the formulation of coherent and effective housing policies, and in the implementation of approved national housing projects through the mobilization of capital from which loan and equity resources can be made available to national housing development institutions for approved schemes in the Member Countries; and providing technical assistance to Member Governments in the sphere of housing.

I. MANAGING DIRECTOR

(a) *Duties*
The Managing Director shall be the Chief Executive of the Company. These duties shall involve:
— conducting, under the general directives of the Board of Directors, the day-to-day business of SHELTER-AFRIQUE;
— serving as the Chief of the Staff of the Company;
— serving as the legal representative of the Institution.

(b) *Qualifications*
1. Candidates should be nationals of an African Member Country.
2. Candidates must have a degree, preferably at post-graduate level in Housing Finance and Development or a closely-related discipline.
3. Candidates should have at least 10 years' working experience, preferably in the African region.
4. Candidates must have excellent knowledge of either English or French; working knowledge of the second language will be an added asset.
5. Candidates must be able to work in close collaboration with people of various nationalities.

(c) The appointment shall be for a term of 5 years and may be renewed.
(d) The remuneration package is tax-free and includes free housing, Company car and other allowances.

II. SECRETARY GENERAL

(a) *Duties*
— to provide secretariat services for the decision-making bodies;
— to ensure general co-ordination of documentation, harmonization of communication channels;
— to organize and supervise the custody and the use of seals and certify signatories and documents.

(b) *Qualifications*
1. Candidates should be nationals of an African Member Country.
2. Candidates must have a degree, preferably at post-graduate level in Business Administration, Management or a closely-related discipline.
3. Candidates should have at least 8 years' experience, preferably in the African region.
4. Candidates must have excellent knowledge of either English or French; working knowledge of the second language will be an added asset.

(c) The appointment, which shall be for a fixed term, may be renewed.
(d) The remuneration package is tax-free and includes various allowances.

III. EXTERNAL AUDITING FIRM

(a) *Duties*
The External Auditing Firm shall perform an audit of the accounts of the company as stipulated in the company Statutes in order to certify:
that the Annual Statement of Accounts, including the General Balance Sheet and the Statement of Profit and Loss of the Company is in accordance with its books and records;
that the financial transactions reflected in these annual financial statements have been in accordance with the rules and regulations, the budgetary provisions, and other applicable financial decisions;
that the financial statements are in conformity, with internationally accepted accounting principles;
that the securities and moneys on deposit and in hand have been verified by certificates received direct from the company's depositories or by actual count.

(b) *Qualifications*
The Auditing Firm should:
(i) be internationally reputable;
(ii) be headquartered in Africa or have close relations with African countries;
(iii) have proven audit experience in housing finance operations, particularly in Africa;
(iv) have practical experience in the auditing of companies with multi-currency operations;

(c) *Remuneration:* Negotiable

IV. Applications, giving an up-dated curriculum vitae, addresses of three references should be sent to:

SHELTER-AFRIQUE
c/o AFRICAN DEVELOPMENT BANK
01-B.P. 1387
ABIDJAN-01
(Ivory Coast)

To reach the Bank not later than 15 September, 1982.

DO YOU UNDERSTAND MONEY?

HAMBRO LIFE ASSURANCE ARE LOOKING FOR SALES PEOPLE THAT DO

Our specialised and continuous training, coupled with hard work, energy and determination will do the rest.

In 1981, more than 350 of our Sales Associates earned in excess of £15,000. Many had no previous experience.

Successful applicants are likely to be between 25-55, live within 40 miles of London and highly independent by nature.

PLEASE TELEPHONE
MAX HELLICAR ON 01-405 5361

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide

01-637 7604

NIGERIA

We are looking for a Managing Director for our office in Lagos. Applicants should be single, aged 30-40 and should possess a high degree of self-motivation as well as having general trading experience, preferably with Nigeria.

Salary negotiable
Full cv to:
Box A7904, Financial Times
10 Cannon Street, EC4P 4BY

CUT THIS OUT

You will need it the day your job is at risk.

We are the firm that provides the most experienced nationwide executive job search, career counselling and video coaching services. (75% of our clients take up higher salaried jobs.)

We also have the best access to the unpublished market (over 50% go to unadvertised positions).

PHONE NOW

London 01-839 2271
Birmingham 021-632 5491
Bath 0225-333841
Manchester 061-835 1450

Percy COUTTS & CO. LTD
25 Whitehall,
London SW1A 2BT.

Enquire also how these redeployment services can be included in your severance terms.

GIO AUSTRALIA offers an exciting future for Investment Managers and Analysts in Sydney, NSW.

Perhaps you've already considered making a future in Australia and the benefits it offers—an informal, attractive lifestyle, an economic future of unlimited potential and an environment where with imagination and hard work you and your children can achieve almost anything—and of course, let's not forget the climate and the world's best beaches.

The Government Insurance Office of NSW, the leading general insurer in the State invites specialist investment professionals to grasp this opportunity of making a career in Australia. The G.I.O. has a premium income of £300 ($A500) million p.a. and assets exceeding £1,200 ($A2,000) million, and in addition to general insurance offers a full range of life assurance services. They seek suitably qualified and experienced staff to join their investment team.

Investment Administration Manager

Position No. 9817
Salary around £18,500 p.a. ($A31,500 p.a.)

Effective control and administration of the total asset portfolio are key functions. Other duties include supervision of a computer based accounting system, transaction documentation, investment budgeting and performance measurement.

Applicants should have a degree in Commerce, Accountancy or related disciplines, an investment background and experience preferably gained in the insurance and finance industries.

Fixed Interest Manager

Position No. 9827
Salary around £18,500 p.a. ($A31,500 p.a.)

The appointee will control the company fixed interest activity and be responsible for effective management of several major portfolios. Applicants will have appropriate tertiary qualifications and extensive fixed interest experience. Those with wider equity and property market experience will enhance their prospects of attaining more senior investment management positions.

Senior Analyst, Fixed Interest

Position No. 9837
Salary around £16,000 p.a. ($A27,500 p.a.)

The Senior Analyst will be responsible for analyses of specific sectors of the fixed interest market, assisting in formulating strategy and for the training of analysts. Appropriate tertiary qualifications and investment experience with an emphasis on fixed interest markets are essential.

In addition to competitive salaries, attractive conditions and benefits, which will be discussed further at interview, are available. Air fares and relocation expenses will be paid and initial rental subsidy is available.

Interesting isn't it? Think it over—there's no better way of getting started in a new country than with a secure position offering potential for self development and achievement, and our help in making the move hassle-free.

Interviews will be held in the United Kingdom during September 1982. Complete confidentiality is assured. Written applications including details of experience, qualifications, a contact telephone number and quoting the appropriate position number should be sent to Mr I J Nicholson at our Sydney address by priority airmail.

box 191 royal exchange
sydney nsw 2000 australia

Price Waterhouse Associates Pty.
MANAGEMENT CONSULTANTS

Financial Controller

BASED JAKARTA
Indonesian oilfield operations

Dowell Schlumberger is a rapidly growing leader in the oilfield service industry operating around the world in 55 countries and with a multi-million dollar turnover.

Each of our trading areas is run by an autonomous Regional Management Team. Now, within the Far-East region we seek a high calibre Financial Manager who MUST be an Indonesian national, and will be based at our operations centre in Jakarta.

Reporting directly to the Indonesian Divisional Manager and functionally to the Regional Controller in Singapore, you will have complete fiscal control of Indonesian operations, including tax management, treasury and date processing for a division employing 500 staff and with a turnover better than $6 million per month.

You must have an ACCA/ACMA or equivalent plus at least 3 years' post qualification experience in a computerised accounting environment, ideally related to the oil business.

Salary will be highly attractive and supported by comprehensive benefits including full relocation assistance on successful completion of a 9-12 month company familiarisation programme at one of our locations. Career prospects throughout our internationally successful group are excellent.

Please write with full career details to: The Personnel Manager, Dowell Schlumberger, Drury House, Russell Street, London WC2B 5HA.

DOWELL Schlumberger

A MAJOR INVESTMENT INSTITUTION—THE GULF

A major investment institution requires a professional Investment Manager with experience in the major investment areas of the world.

Candidates for the Investment Manager post should have obtained a professional qualification and should have five years' experience of managing a discretionary portfolio of fixed interest investments internationally.

Candidates must be prepared to live in the Gulf. The contract will be for a minimum of three years renewable thereafter. Salary will be free of tax in the Gulf. Free accommodation, transport and medical facilities will be provided.

Please write or telephone for an application form, quoting reference 2064/FT, to W. L. Tait.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR.
Tel: 01-353 8011.
A member of the Management Consultants Association.

Scotiatrust

VACANCIES FOR EXPERIENCED ADMINISTRATORS

We invite applications from experienced Bank Officers with a minimum of ten years' Trustee Banking experience who hold the Institute of Bankers Trustee or Banking Diploma, ACIS, or similar qualifications and preferably some offshore international financial experience. Successful candidates will assume management positions with responsibility for a wide range of trust and corporate duties.

We offer competitive salaries in excess of the equivalent of £18,000 p.a., tax free, together with other fringe benefits. including pension fund, group life insurance and medical plans and four weeks' annual leave together with air fares paid to the U.K.

Interviews will be arranged in London or other cities if necessary but in the first instance applications to include full details of qualifications and previous experience should be addressed by air mail to The Chief Accountant, P.O. Box N 3016, Nassau, Bahamas.

CHIEF OPERATING OFFICER

FOR BANK LIKE FINANCE COMPANY IN SWITZERLAND

Newly established bank-like finance company incorporated in Switzerland with equity capital in SFR nine figures seeks Swiss national to assume responsibility of Chief Operating Officer. Position requires an individual capable of developing and implementing a strategic plan as well as administering day-to-day activities.

Given the international focus of the company, preferred candidate will have an MBA or equivalent, ten years plus banking experience including a background in Eurosyndications and Euromoney markets. Proficiency in English required. Proficiency in German and/or French preferable. Send resume including educational and professional background as well as salary history in complete confidence to:

GREAT PACIFIC FINANCE AG
73 BAARERSTRASSE 6300 ZUG, SWITZERLAND

Development Banking Lending Officers

Saudi Arabia

A Saudi Arabian Government Agency involved in the financing and development of new and expanding industrial projects requires project lending officers. Responsibilities include evaluation of loan applications, recommending financing action to a credit committee and overall management of a loan portfolio.

Candidates must be graduates or have professional qualifications and have at least 3 to 5 years' experience in project finance, corporate or merchant banking, or a related financial background, ideally with a development agency or a merchant bank.

In addition to an attractive salary paid free of tax in Saudi Arabia, a comprehensive benefits package is offered including: free furnished housing and medical facilities; leased car; generous leave provisions and allowances; end-of-contract and performance bonuses; and first class recreational facilities. Initial contracts are for two years.

Please telephone (01-629 1844 at any time) or write—in confidence—for a personal history form. B. G. Woodrow ref. B.1150.

MSL middle east
مختصون باستيطاف العرب

Management Selection Limited
International Management Consultants
17 Stratton Street London W1X 6DB

NTERNATIONAL 'AX EXECUTIVE

U.S.-based multinational firm seek a ...ed executive experienced in international matters with heavy emphasis on Europe. ...ic accounting, chartered accountancy or ...valent experience with multinational firm is ...ential. N.Y.-based position with extensive travel ...rldwide. Reports directly to Vice-President of ...ax. Language ability an asset.

Write Box A.7914, Financial Times
10 Cannon Street, EC4P 4BY

INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY

RATE £29.00
Per Single Column Centimetre

CRUISE LINE

SHIPBOARD HOTEL MANAGERS

Prestigious Miami-based cruise line operating *passenger vessels in the Caribbean has opening for* shipboard hotel managers.

The qualified applicant will have extensive hotel management experience with thorough knowledge of food and beverage. Previous shipboard experience a must. Excellent starting salary and fringe benefits.

Send detailed resume with references to:
SHIPBOARD HOTEL MGRS
P.O. Box 010042, Miami, FL 33101

Accountancy Appointments

Accounting for Management

to £16,000 + Car

Our client is a very large consumer product group with a successful portfolio of branded products and a top management that has established a competitive edge which it intends to maintain and exploit.

The Group wishes to take advantage of the latest technology to provide flexible management information of the decision making point and requires a graduate accountant to take the lead in a major review of accounting systems. There will be extensive exposure across the organisation to senior management and technical specialists.

Applicants should have a minimum of 5 years' industrial or commercial experience in a substantial organisation including successful implementation of modern computer accounting systems. Preferred age is 28-35. Success will lead to a wide range of promotional opportunities and the prospect of career progression to much higher levels. Location Central London.

Please apply in confidence, quoting reference 6095, to

Brian Mason
Mason & Nurse Associates
1 Lancaster Place
Strand
London WC2E 7EB
Offices in London & Birmingham

Mason & Nurse Selection & Search

Deputy Chief Internal Auditor

c.£20,500 London

An experienced Accountant is required to help British Telecom manage its Internal Audit, where re-organisation is taking place to meet the future needs of the business, and which will now provide a centralised corporate audit function.

The successful applicant can expect to help the Chief Internal Auditor formulate the policy and planning for the Audit Division. He or she will monitor the achievement of the overall audit plan, maintain a quality assurance programme to evaluate the Division's operations and ensure that its work meets the best professional standards. The job will involve considerable travel throughout the UK since the Audit Division consists of provincial offices in major cities together with specialised HQ, computer audit and training units based in London.

Candidates for this post must be qualified Accountants with substantial experience at a senior level in internal audit. Experience of external audit with a professional firm or equivalent is highly desirable.

Starting salary will be negotiable around £20,500 (including Inner London Weighting).

To apply, please send a brief CV, quoting ref. PS.2.3.1, to Miss J. M. Currie, Senior Staff Appointments, British Telecom, 2-12 Gresham Street, LONDON EC2V 7AG.

British TELECOM

SENIOR FINANCE MANAGER

HANTS **to £14,000**

Our client is the UK headquarters of a multi-billion dollar turnover American manufacturer of high technology equipment. As a result of recent reorganisation, the UK operation is now responsible for a number of European marketing subsidiaries. The combined sales of these subsidiaries is currently £23 million; although it is envisaged that a significant increase will occur during 1983.

The company wishes to recruit a senior financial manager to take overall financial responsibility for these operations. The objectives will be to provide a level of professional support and systems development expertise to enable the subsidiaries to cope with rapid business expansion. This will certainly involve some European travel, particularly in the early stages and a prior knowledge of dealing in multi-currency situations will be essential. Ideal candidates will be professionally qualified accountants, aged 27-40, with at least five years' post-qualification experience in a multi-national industrial or commercial environment. They will be able to demonstrate a good track record in both liaison with senior management and the operation of computerised information systems. Opportunities for career progression throughout this group are excellent and the company will offer a relocation package where necessary.

For further details please write to or preferably telephone:

PAUL MOONEY
01-402 7162

10a London Mews, London Street, London W2. 01-402 7162

scope executive Recruitment & Consultancy

Head of Finance and Accounts Group

We have a vacancy for a suitably qualified Accountant to head the Finance and Accounts Group. The Laboratory has an annual budget of approximately £50M and a staff of 1,600.

Applicants should have had a minimum of 10 years relevant experience which should include estimating and controlling expenditure and also the use of computers and Management Information Systems in the field of finance and accounts. Knowledge of Government financial and accounting procedures would be an advantage.

The main responsibilities can be described as follows:–

1. Providing information for and participating in resource planning including the preparation of annual Estimates and forward financial plans.
2. The preparation of financial forecasts and of financial and management accounts.
3. The payment of salaries and wages and of all external bills.
4. Programming and data processing as applied to Finance and Accounts and the development of existing computerised systems towards interactive operations.
5. Stores organisation including order levels, stock control, care and custody stores and catalogues.
6. The preparation, maintenance and review of inventories of capital assets.
7. Management of the group staff, approximately 80 in number.

The successful applicant will be appointed to the Senior Principal scale of £15,723 to £19,927.

For an application form please write to or telephone: **Recruitment Office, Personnel Group, Science and Engineering Research Council, Rutherford Appleton Laboratory, Chilton, Didcot, Oxon OX11 0QX. Telephone: Abingdon (0235) 21900 Ext. 510, quoting Ref. VN032.**

Closing Date for Applications: 9th August 1982

serc Rutherford Appleton Laboratory

Financial Managers

c. £14,000 plus car **City**

Two Financial Managers are required to strengthen the dynamic management team of a new division of a major multi-national financial group.

Candidates, (male or female), must be qualified accountants, preferably with a university degree and aged about 27. Experience gained in a major multi-national group is essential.

One Manager will be responsible for analysis and reporting from an international trading standpoint, and the presentation and interpretation of financial data to the Board **(Ref: 6603)**.

The other Manager will monitor accounting policies and systems throughout the group, devise and implement new systems as necessary and liaise with senior executives in the UK and overseas **(Ref: 6604)**.

These exacting positions demand above average ability and the acumen to identify and capitalise on situations in an international business environment. Career prospects within the group are commensurate with this requirement. The total remuneration package will be in accordance with best international practice.

Applications in confidence to Brian Luxton

mh Mervyn Hughes Group
Garfield House, 86-88 Edgware Road, London W2 2EA 01-258 3725
Management Recruitment Consultants

Finance Director

Around £23,000 plus bonuses

The company makes and sells business equipment and systems. With sales of £35m, and employing 1,700 people it is the UK and Eire subsidiary of a $1,400m. turnover US corporation which operates worldwide.

The Finance Director will play a key role in the continued profitable growth of the company, leading a strong team of managers and some 130 staff.

Candidates must be qualified accountants who have held key financial management positions in marketing oriented manufacturing companies.

Salary negotiable as indicated plus significant bonuses and car. Location North East of London.

Please send brief details – in confidence – to David Bennell ref. B.43689.

This appointment is open to men and women.

MSL United Kingdom Australasia Benelux Canada France Germany Ireland Italy Scandinavia South Africa Switzerland U.S.A.

Management Selection Limited
International Management Consultants
52 Grosvenor Gardens London SW1W 0AW

Chief Accountant

London W1
c.£15,000 + car

A profitable specialist publishing company with a £7m turnover seeks a qualified accountant, aged 30-50, to control all accounting and financial reporting operations with computer support. There will also be involvement in new projects and in developing new reward systems for sales staffs.

Candidates must have a thorough grounding in financial and management accounting in a demanding commercial or industrial environment. They must already live within commuting distance of Central London. Supervisory experience and EDP user knowledge are vital.

For full job description write in confidence to John Courtis at 78 Wigmore Street, London W1H 9DQ, showing clearly how you meet our client's requirements, quoting reference FT 7107 on letter and envelope.

Both men and women may apply.

John Courtis and Partners

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

UK Chief Accountant

Basingstoke, to £15,000 + car

The company is a subsidiary of an American multi-national with broad interests in the manufacture and distribution of toiletry and domestic products, including an extensive range of hair care preparations. The management team is young and progressive. Tha person appointed will report to the Financial Director and will be responsible for all aspects of the accounting function. Particular emphasis initially will be on the streamlining of computerised systems and manual procedures to meet tight deadlines. Applicants must be qualified either ACA or ACCA and live within commuting distance of Basingstoke. They should have at least 5 years' post-qualification experiance ideally within an fmcg environment and have held a management post. They must also be familiar with sophisticated computerised systems and with US accounting procedures.

E. Sutton. Ref: 17211/FT. Male or female candidates should telephone in confidence for a Personal History Form 01-734 6852, *Sutherland House,* 5/6 *Argyll Street,* **LONDON, W1E 6EZ.**

Corporate Finance

Central London **to £15,000**

A small progressive firm of corporate and financial advisers, who are members of NASDIM, seeks an ambitious young self motivated qualified accountant or business graduate with sound practical corporate finance experience, a strong personality and creative commercial awareness.

You will work closely with the directors providing advice to a variety of smaller businesses. The challenging tasks will cover the full spectrum of financing from assessing and investigating clients' requirements through to preparing documentation as appropriate and finalising the equity and debt structure. In some cases you may be expected to participate in financial management support for these clients.

Longer term prospects could include a board appointment and equity participation.

Please write in confidence with full career details and daytime telephone number to David Tod BSc. FCA quoting reference DT/551/CCF.

Lloyd Management
Recruitment Consultants
125 High Holborn London WC1V 6QA *01-405 3499*

GROUP CHIEF ACCOUNTANT

c £12,000 + car allowance **West End**

This interesting and rewarding appointment arises in a group of companies involved in Publishing, Theatre and Public Relations.

A commercially orientated, qualified Accountant is required to take charge of the complete accounting function, reporting direct to an entrepreneurial MO and controlling a small staff. Candidates aged 26-32 must be able to show initiative and have an easy going personality.

Interested candidates should apply in confidence to:

M. Marcel, 18b Wellington Court, London, SW1 01-581 2171

HIGSON PING

FINANCIAL CONTROLLER

£19,000 + car, etc. **N. Home Counties**

Our client is a major well-known UK Company with a number of large manufacturing sites in this country.

An ambitious and successful qualified accountant, male or female, is sought at Group HQ to control and co-ordinate its financial activities.

Aged under 40, candidates will have experience of working for a large manufacturing company and have knowledge of Government Accounting procedures.

Conditions and prospects are excellent.

Those meeting these specific requirements only should write to M. J. B. Ping as soon as possible, quoting reference P7007, or ring Higson Ping Limited and ask for a personal history form.

Higson Ping Ltd./Executive Recruitment Consultants.
110 Jermyn Street, London SW1Y 6HB.
Telephone: 01-930 4196 (24 hour answering service).

COMPANY SECRETARY

N. W. MIDDLESEX **£17,000 + CAR**

Our client is a publicly quoted specialist multiple retailing group (T/O c. £250M) operating on a national basis with an excellent growth record achieved under innovative management.

A suitably professionaly qualified person, ideally aged 35-40, is required to be responsible to the Group Financial Director for the Secretarial duties relating to the group's operations. Assisted by two qualified staff, he/she will additionally supervise the administration of the group's pension fund, insurances and employee share schemes and ensure that the group's business is conducted in compliance with legal requirements.

Candidates must demonstrate proven relevant commercial experience, together with the personal qualities and potential to assume additional responsibilities, in order to make a positive contribution to the increased efficiency and profitability of this successful group.

Applications under Ref. No. RC 191 to: Miss Marion Williams, Extel Recruitment, 4 Bouverie Street, London EC4Y 8AB. Tel: 01-353 5272.

Extel Recruitment Executive Selection Consultants

Accountancy Appointments

ACCOUNTANT

ACA in 30s, with business experience, required for HQ team of small expanding private property group in South Bucks. To do financial/management accounting, cash flows, secretarial work, reporting to MD. Directorship prospects. Remuneration negotiable.

Applications with full cv, in confidence, to:
Box A7926, Financial Times
10 Cannon Street, EC4P 4BY

FINANCE DIRECTOR
(Designate) c. £13,000

A City based small group of companies in the reproduction and printing industry, require an energetic young chartered accountant with commercial experience, to take charge of all accounting functions. The successful candidate will be expected to develop a computerised system if required and provide financial advice to the executive team.

Phone: 01-251 6405 for appointment.
No Agencies

PROFESSIONALS IN BUSINESS

SYSTEMS ORIENTED — **to £14K**

American oil services company seeks an Accounting Systems Manager for its U.K. Head Office. Dealing with the European marketing division, it is an ideal opportunity for a qualified accountant, 28-35, with commercial flair and sound systems knowledge, gained in an industrial environment. Prospects will be out of the accounts function into line management. CITY. SC/2314A.

OIL OPPORTUNITY — **c.£12,000**

A U.S. multinational oil company offers both overseas travel and career advancement to a young, graduate Chartered Accountant. As a member of the international audit team, you will be responsible for evaluating financial systems in 22 countries worldwide. Experience of oil exploration/production would be an advantage. C. LONDON. JG/2323A.

RESEARCH ACCOUNTANT — **to £12,500**

Unusual opening for a young ACA with two years post-qualification experience. Defining and reviewing group policies and accounting standards, you will be liaising with both Head Office and divisions, plus maintaining broad links with outside bodies and other multinationals. Thorough technical skills, plus U.S. accounting experience are prerequisites. W. LONDON. SC/1020C.

ELECTRIFYING! — **c.£12,000**

A major U.S. multinational with diverse interests in the electronics industry is offering excellent career prospects to two recently qualified ACA's. Operating as part of an extremely effective central services function, a high degree of exposure will be obtained at all levels of management. EAST OF LONDON. RWP/1057B.

STAY BRITISH! — **£11,500**

Are you a graduate CA looking to establish a rewarding career in an expanding environment? This blue-chip U.K. group offers the self-starter a unique development role in the field of high-technology. Initial emphasis is on broad financial accounting becoming increasingly more analytical as the individual progresses. SURREY. VMD/1028C.

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

ROBERT HALF

ACCOUNTING, FINANCIAL AND BANKING RECRUITMENT & SEARCH CONSULTANTS

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Group Chief Accountant

Retail Group
Bedfordshire, to £16,000 + car

Our client, a subsidiary of a major British public company, is the parent of a group of retail companies with a combined turnover approaching £100 million. As a member of a small head office team and reporting to the Finance Director, the successful candidate will be fully involved in the commercial management of this group. Specific responsibilities include ensuring that subsidiaries comply with group accounting policies, controlling a small department engaged in monthly consolidations and the interpretation of these for senior management. Candidates, early/mid 30's, must be qualified accountants with experience in group and line management roles and knowledge of the retail industry. A strong personality and ability to communicate are vital in order to relate to senior head office and subsidiary company management. Prospects are excellent.

Please send full career details to date, to: H.W. FitzHugh, 10 Hanover Street, LONDON, W1R 9HF, quoting Ref: 20170/FT.

MANAGEMENT ACCOUNTANT
to £12,000+car

Debenhams, one of the most progressive and fast growing retail groups in the UK, is looking for an ACMA, ACCA or ACA qualified accountant to be one of a small creative team reporting to the Group Financial Controller. The post carries particular responsibilities for the co-ordination of budgets and financial forecast within the department stores division. Considerable use is made of the development and use of computer models and experience and personal aptitude in this area would be an advantage. Effective communications and a methodical and imaginative approach are essential.

The Company offers a very competitive benefit package, including staff discount and profit sharing scheme.

Please write or telephone for a job description and application form to:

Mrs A. Castle
Personnel Manager, Corporate
DEBENHAMS PLC
1 Welbeck Street, London W1A 1DF
Tel: 01-408 4444 Ext. 768/281

Debenhams

FINANCIAL CONTROLLER
(Major Programs) Salary Negotiable

Alvis Limited, the largest company in the fast growing United Scientific Group, is a world leader in the design and manufacture of light armoured vehicles. The company operates on two sites in Coventry.

Reporting directly to the Financial Director, the successful candidate for this new position will be responsible for managing all aspects of cost in relation to large manufacturing programs. Working closely with existing departments, the primary role will be to support the relevant Program Manager with contract-based management information and analysis.

Candidates, probably aged between 28 and 40, should be professionally qualified accountants and have proven experience of budgeting and cost control in an engineering environment. Experience in working with computer-based control systems would be a distinct advantage.

An excellent remuneration package commensurate with the responsibility will be negotiated.

ALVIS

Please send a comprehensive c.v. to:
Gordon Batten,
Personnel Manager,
Alvis Limited,
Holyhead Road,
Coventry CV5 8JH.
Tel: Coventry (0203) 595501.

International Corporate Audit

London Based — PEPSI — **Up to £15,000**

PEPSICO are a multinational organisation with a group turnover exceeding 7 billion dollars.

Their European corporate audit team is responsible for advising on a wide range of financial and management procedures and controls. As a result of the group's policy to promote from the audit division, they now seek to appoint two qualified ACAs aged up to 27 with good public practice background or similar auditing experience.

Proficiency in a second language is required, preferably Spanish, French or German. Based in London, approximately 40% of your time will be spent visiting company locations worldwide.

An excellent salary package is offered plus genuine opportunities for promotion within 2/3 years. To apply, please write to or telephone Michael J. R. Chapman quoting ref: 6196.

Lloyd Chapman Associates
123, New Bond Street, London W1Y 0HR 01-499 7761

QUALIFIED ACCOUNTANT
£30,000 PLUS

A substantial and expanding Lloyd's Broking and Agency Group require a qualified accountant with good experience in the Lloyd's market to take charge of the whole accounting function of the group.

The successful candidate showing initiative and ability will have the opportunity to rise to board level having had the opportunity to demonstrate his/her contribution to the group. This is a senior appointment and it is unlikely that a candidate below the age of 30 would have sufficient experience for the position.

Please write, giving details of career to date, to:

Anthony Blake
NEVILLE RUSSELL
30 Artillery Lane, London E1 7LT

GROUP FINANCE MANAGER

SURREY — c. £13,000 + car

The company, a large national retailing organisation with an annual turnover in excess of £120m is itself a subsidiary of a large international group. As a result of reorganisation, the company is seeking to appoint a qualified Accountant to the position of Group Finance Manager, reporting to the Financial Director. He/she will be responsible for most matters relating to the Financial Management of a decentralised group and will include:—

- Preparations, consolidations and critical review of the group's monthly financial accounts.
- Preparation and reporting of all related Management information.
- Budgeting, planning and short term forecasting.

Candidates aged between 28 and 35 will have at least two years' post qualification experience in industry or commerce.

Applications together with a detailed C.V. should be made to Box A7925, Financial Times, 10 Cannon Street, London, EC4P 4BY.

FINANCIAL CONTROLLER/ PARTNERSHIP SECRETARY

Central London — c.£18,000+car

A major international firm of valuers, auctioneers, agents and surveyors operating in the industrial and commercial fields wishes to appoint a Financial Controller/Partnership Secretary. The business operates from a number of offices and offers a wide range of support services. The appointment is an opportunity for involvement at senior level in a respected and expanding firm.

Reporting to the chairman of the finance committee, the financial controller/secretary will be responsible for all aspects of financial and management accounting besides acting as partnership secretary. Initial tasks will include a review of present financial and control systems leading to proposals for further development including an in-house computer. The controller/secretary will also give continuous overall financial advice to the partnership.

Candidates must be qualified accountants preferably in the age range 35-48 with relevant experience. A strong but tactful personality will be sought. Applicants should send a career history and brief personal details quoting ref.FT/272/A to DWE Apps:

E&W Ernst & Whinney Management Consultants
57 Chiswell Street London EC1Y 4SY

PRESTIGIOUS INTERNATIONAL FIRM
Opportunities for Ambitious Young Chartered Accountants

West Yorkshire — **Exceptional Salaries**

This major firm of international repute is probably the fastest growing practice in the UK. Internal promotions have created opportunities for exceptional young chartered accountants who meet the following criteria:

- Graduates who, having trained with a larger firm have achieved a good examination record (confident July '82 finalists considered).
- A mature outlook, strong personality, considerable drive and determination and the ability to lead audit teams on complex assignments.

Vacancies exist to lead Audit teams and especially for those seeking to specialise in TAXATION or INSOLVENCY.

Salaries offered for all positions are highly competitive. Career prospects are exceptional and working conditions unequalled.

If you would welcome the opportunity to discuss your future on an informal basis and find out more about our client, please telephone Brian R. Daniels on 0532 742616 for an early interview.
Ref: 82216FT

Dunlop & Badenoch
"Putting people into business"
Arndale House, Arndale Centre, Otley Road, Headingley, Leeds LS6 2UU. Tel: (0532) 742616

Innovate and Develop
Group Computer Auditor
c. £15,000 + Car

This newly created position offers you the chance to utilise your experience and flair for innovation in order to develop your career. To quote the Group Internal Auditor, it is a "pro-active and not a reactive job".

Your opportunity is to join one of Britain's largest investment service organisations based in Essex. With a cash flow of many millions of pounds per annum, the importance of internal audit can not be over-stressed.

The Group's systems have been increasingly computerised and plans are to continue this trend. As a result this new job, with specific responsibility for developing and implementing a computer audit policy and procedure, offers plenty of scope for innovation.

You should be aged 28 – 35, a qualified accountant, experienced in auditing computer systems covering mainframe, minis and micros, and be used to operating at senior management levels.

Benefits include a salary of c.£15,000 plus a company car, company loan schemes, BUPA, non-contributory pension scheme and free life assurance, five weeks holiday and savings plan, etc. Prospects for promotion are excellent either within the Internal Audit Department or into line management.

Please write enclosing a C.V. or telephone for an application form to:- Alex Holmes, at Cripps Sears and Associates (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

FINANCE DIRECTOR

MIDLANDS — FROM £15,000 PER ANNUM + CAR

The Company is an autonomous part of a major international engineering group producing capital goods for home and overseas markets and employing over 1000 people.

Reporting to the Managing Director, the Finance Director will be required to make a significant contribution to all aspects of the business as well as leading an established finance organisation.

Ideally applicants should be Chartered Accountants, 30-35 years of age with current experience in an engineering company. Also they should be well versed in shop-floor controls, sound commercial practices and be able to make a contribution to systems development.

Located in an attractive part of Staffordshire, the remuneration is negotiable and there will be assistance with relocation expenses where necessary.

Please send full career and salary details to Mrs D E Gibson, Director, at the address below:-

Wells, O'Brien Recruitment
25 Dover Street, London W1X 3PA. Tel: 01-491 7621

FINANCIAL DIRECTOR
to £40,000 plus car

Rapidly expanding multi-billion dollar Fortune 500 high-technology corporation with large United Kingdom operations seeks a senior financial manager for London area headquarters. The ideal candidate will be a college graduate (MBA or CPA or FCA useful) with an outstanding record of successes in a similar UK post in a large company. Compensation of the candidate should presently be at least £25,000.

Extensive and varied senior line finance management experience and the ability to provide hardheaded inspired leadership in a fast track semi-autonomous manufacturing and marketing organisation are qualities we seek.

Interviews will be conducted as soon as possible in London.

Please forward full cv including salary history to Donald Hughes, c/o L. B. Schneider Associates, Management Consultants, PO Box 5051, Sherman Oaks, California 91413, USA or phone USA (213) 990-0103 for more information.

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY
RATE £29.00 PER SINGLE COLUMN CENTIMETRE

JOBS COLUMN

Further rise in escapes from unemployment

BY MICHAEL DIXON

Job category	Joined register June-July	(May-June)	Left register June-July	(May-June)	Total on register July 2	% change since June 2
All higher-grade unemployed	13,572	(12,564)	15,477	(13,014)	137,720	−1.4
Electronic and electrical engineers	325	(308)	255	(155)	2,680	+2.7
Other engineers and technologists	797	(703)	807	(547)	7,348	−0.1
Teachers	2,121	(1,686)	2,196	(2,094)	21,254	−0.4
Departmental managers other than production	2,812	(2,442)	2,981	(2,588)	27,256	−0.6
Chemists and physicists	175	(192)	191	(167)	2,217	−0.7
Production managers	618	(552)	672	(631)	6,518	−0.8
Accounting staff	579	(502)	623	(406)	4,712	−0.9
Draughtspeople	459	(393)	496	(403)	3,773	−1.0
Data-processing staff	404	(393)	445	(397)	3,644	−1.1
Town planners and architects	95	(96)	107	(83)	1,043	−1.1
Personnel staff	197	(240)	233	(180)	2,530	−1.4
Library, art-gallery staff, etc.	685	(652)	791	(534)	6,668	−1.6
O&M staff, statisticians	141	(123)	171	(162)	1,866	−1.6
Estimators, etc.	152	(152)	183	(148)	1,786	−1.7
Social and health staff	599	(564)	719	(592)	5,821	−2.0
Aircraft and ships' officers	140	(106)	171	(139)	1,412	−2.1
Estate agents, etc.	222	(229)	288	(228)	2,538	−2.5
Legal services staff	89	(112)	117	(98)	997	−2.7
Purchasing staff	210	(200)	282	(223)	2,541	−2.8
Scientific and technical support staff	682	(684)	943	(814)	8,280	−3.1
Sales and marketing staff	1,615	(1,723)	2,167	(1,850)	17,133	−3.1
General managers	172	(244)	266	(288)	2,777	−3.3
Biologists	97	(86)	147	(105)	937	−5.1

WHILE unemployment among managers and specialists in Britain is still affected by cross currents there are signs for the second month in succession that the tide has begun to ebb.

The accompanying table is calculated from the latest count by the Government-sponsored Professiooal and Executive Recruitment agency, which was made on July 2. My figures refer to registered unemployment among higher-grade staff with previous experience in the work concerned, both in total and in the 23 categories of job worst affected by unemployment. (Since I have excluded five minor job categories, the numbers for the 23 which do appear don't add up to the totals given in the top row of figures in the table.)

The first vertical column of figures relates to experienced staff who newly registered as jobless between July 2 and the previous count made on June 2. The next column in brackets shows the number of new registrations between June 2 and the earlier count on May 4.

The next pair of columns refer in the same way to the numbers who left the register respectively in June-July and in May-June. Then come the totals who remained registered unemployed on July 2. The right-hand column gives the percentages by which the totals had changed sioce June 2.

As the figures in the top line show, new registrations in June-July were up by 8 per cent in overall terms on the corresponding inflow during May-June.

But there is better news in the next pair of columns. For the numbers leaving the register were up almost 19 per cent on May-June as a whole, and also higher in all but one of the detailed categories.

We cannot know what work those leaving have obtained, of course. Some may be, for instance, married women who have given up seeking jobs.

Even so, the overall number of experienced staff on the register dropped 1.4 per cent between the last two counts, having declined by 0.3 per cent during May-June.

Manchester

A YOUNG French research student who lately visited the Jobs Column while touring Britain in search of rational recruiting practices, reported that some employer had confessed an impatience with job-candidates who have Lancashire and Yorkshire accents, on the grounds that they are "slow." The Frenchman would not name the employer in question, which is a pity. I'm itching to ring him up to demonstrate that our slowness only strengthens our ability to be offensive.

The frustration of that wish may explain another raising of the hackles at the arrival of a job-offer which pointedly emphasises that Manchester is the base of a 100-year-old family company whose "production techniques are old-fashioned, sales and marketing skills have been extremely limited, and accounting systems are almost quill pen."

But on grabbing for the telephooe to talk to the recruiter responsible for the offer, I realised that he works from Manchester. And if he can say such things while needing to live there, I guess that they must be true. He is Stephen Blaney of Coopers and Lybrand Associates. He may not name the employer and so, like the other headhunter to be mentioned later, promises to abide by any applicant's wish not to be identified to the company without specific permission.

What Mr Blaoey may say is that the company manufactures machinery, and that the quality and strength of its range of products recently persuaded an international group to buy the business.

A specialist in company "turnrounds" has been brought in as managing director, and he has imported thoroughly modern managers as directors of sales and production. They plan to treble the present £1.5m turnover within two years, to which end they have asked Stephen Blaoey to find a financial director.

"The job is essentially to transform the old-fashioned and entirely financial accounting records and procedures into effective management information systems," he says.

"This will involve the introduction of standard costing, the development of efficient budgetary control and the acquisition of a computer. A solid input to commercial decisions and the provision of financial advice to the managing director are vital."

Besides being qualified accountants, candidates must be demonstrably successful financial managers in business with particular strength in management accounting.

Salary up to £22,000, with car among other benefits.

Inquiries to Mr Blaney at St James's House, Charlotte Street, Manchester, M1 4DZ; telephone 061-236 9841.

Actuaries

A COUPLE of actuaries are wanted by recruiter David Wilson Bell to work for a life assurance company in Greater London. Both will need direct experience of unit-linked operations.

One will help the company's appointed actuary in his general work. The other will be concerned with marketing as well the more conventional actuarial goings-on.

Salaries around £22,000, plus usual "London - insurance" perks.

Inquiries to Mr Wilson Bell at Chesham Executive Centre, 150 Regent Street, London W1R 5FA; tel 01-734 5351, telex 261426.

CHIEF DEALER
A highly experienced and capable Chief Dealer is required by an influential London bank, to head up the Dealing Room. Applicants should have at least ten years relevant experience, with prime market names in U.K. or U.S. An aggressive trading outlook will be sought, coupled with sound marketing experience. Salary will not be a limiting factor. REF: DE/1026C

CHIEF BOND DEALER c £25,500
An established international bank seeks a Chief Eurobond Trader, for what is potentially a 'greenfields' operation. Principle involvement will be in the primary markets, and suitable applicants will be required to have an in-depth knowledga of this area. The bank offer considerable potential to the 'right' candidate. REF: DE/1023C

LEASING £Neg.
The U.K. merchant banking arm of a substantial U.S. bank offers an outstanding opportunity to top class leasing specialists. Suitable candidates will need an excellent, and comprehensive knowledge of all aspects of tha leasing market gained with 'recognised' names. Ref: DE/2245A.

FX DEALER c.£15,000
An experienced Spot/Forward Trader is required for a prestigious London bank. Experience in an active and aggressive dealing environment will be sought, and a knowledge of trading Scandi currencies would be a distinct advantage. The appointee will be joining an organisation committed to building an excellent team and market reputation. REF: DE/2248A

All applicants will be treated in the strictest confidence.

R-H
ROBERT HALF
LEE HOUSE, LONDON WALL, EC2. 01-606 6771.
SEARCH & RECRUITMENT.

Bank Recruitment Specialists

U.K. CORPORATE LENDING OFFICER
to £18,000
A prime U.S. commercial bank wishes to engage an ambitious, energetic young lending banker to assist in maintaining and further developing the bank's substantial penetration of the U.K. corporate market. Aged in his or her late 20s, the successful candidate will be a graduate with current U.K. business development experience backed up by sound credit skills.

SENIOR LENDING OFFICER COMMODITY FINANCE
to £18,000
A key appointment at the forthcoming London Branch of a well-known European bank. The appointee will assume a leading rôle in the development of the branch's loan portfolio. An extensive background is required in international lending/business development, including a sound knowledge of commodity financing.

LEASING EXECUTIVE
to £25,000
An experienced New Business Executive, probably aged in his/her late 20s to early 30s, is sought by a specialist Leasing company which acts both as principal and broker. Knowledge of 'big ticket' and tax leverage business is essential. Individuals whose current remuneration is less than £15,000 p.a. are unlikely to be considered suitable for this appointment.

SENIOR CREDIT ANALYST
to £15,000
A senior appointment within the credit area of an established American bank, calling for a mature international banker (27-35) with a minimum of 5 years' comprehensive credit experience. This experience should include the vetting of applications from both corporations and banks, combined with a sound knowledge of term loan agreements. Supervision of other analysts will be entailed and the position could lead to overall responsibility for the Credit Department.

LOANS OFFICER
to £12,000
A prominent merchant bank seeks an additional Executive to take responsibility for part of its loan portfolio, including syndications. The ideal candidate would be a graduate aged 24-30 with a banking background to date including country and corporate risk analysis, loan pricing and documentation.

SENIOR FOREIGN EXCHANGE DEALER
c. £17,000
Our client is an established British bank whose substantial capital base allows for considerable further expansion of its dealing activities. We seek an ambitious Dealer who is skilled in spot/forward exchange dealing in major currencies, and has established a sound personal name in the market. This appointment offers exceptional scope.

Please contact Ken Anderson or Leslie Squires
Telephone: until 23rd July: 01-248 8876
from 26th July: 01-588 9333

CHANGE OF ADDRESS

*Due to expansion, the consultancy is moving to spacious **new premises** and acquiring a **new telephone number** — effective 26th July 1982.*

Details are as follows:—

Anderson, Squires
Bank Recruitment Specialists
Blomfield House
85 London Wall
London EC2M 7AE
Telephone: 01-588 9333

Anderson, Squires

General Trader
Salary Negotiable

The Company
This well known international group of companies has extensive trading and manufacturing operations overseas, particularly in the Far East and is expanding its old established and substantial two-way trade with the People's Republic of China.

The Position
The person selected will report directly to the General Manager of the China Division based in London. His/her responsibility will be to expand the product range and customer coverage in goods traded into and out of China. The particular spheres might include chemicals, pharmaceuticals, foodstuffs, crude animal and vegetable by-products, light industrial manufactures, arts and crafts etc. Overseas travel will be necessary.

The Applicant
The position calls for an ambitious and experienced Trader in his/her speciality, preferably aged between 28 and 50, who has the opportunity to become General Manager of the Division in due course. Candidates should be able to show a track record of profit achievement and preference will be given to those who already have established connections in the fields mentioned.

The Remuneration
This is a challenging career opportunity which will give job satisfaction to a person determined to succeed by his/her own efforts. Initial salary will be negotiable but not less than five figures and normal large company benefits will apply.

Please contact in the first instance, the Company Adviser, D. Harden, Streets Advertising Ltd., Hulton House, 161-166 Fleet Street, London EC4A 2DN Tel: 01-353 4200. Stating clearly the names of any companies to which you do not wish your application to be forwarded.

Streets Advertising Limited
Recruitment Division Confidential Reply Service

ICGas

PLANNING AND BUSINESS DEVELOPMENT

Imperial Continental Gas Association is a holding company with a wide range of international interests concerned with energy. These include Calor; CompAir; oil and gas; and fuel and power in Belgium.

It is seeking a Planning Executive to join a small team reporting to the Director of Planning and Business Development at the Head Office in the City of London.

Candidates should be numerate graduates, possibly with an additional MBA, or professional qualification, and a good working ability in French. It is unlikely that anyone under 28/30 will have the business experience or special skills and qualifications to operate successfully with senior management and in a small self-motivated team. Skill in financial analysis and experience of data processing is essential.

Responsibilities will include direct involvement in the planning process, special studies and projects and participation in business development work.

Salary and conditions of employment should prove attractive to candidates with the experience and qualifications required.

Please send a career history to, or obtain an application form from:

Andrew Forrest, Group Personnel Co-ordinator,
IC Gas, 14 Moorfields Highwalk,
London, EC2Y 9BS. 01-628 3272

Commercial Director

West Yorkshire **c. £14,000**

Our client, a subsidiary of a public group, requires a Commercial Director, due to internal promotion, who will be responsible for the entire accounting function in addition to providing commercial advice and direction to the company. The business has an impressive growth and profit record on its sales turnover of £5M and the Commercial Director will be a key figure in its continued development.

Candidates, male or female, should be in their early 30s and qualified members of one of the leading Accountancy Institutes. It is considered likely that leading contenders will be currently Financial Directors from within manufacturing companies who are seeking an opportunity to move into General Management.

Further career growth is envisaged.

The selary package will reflect the importance of the position with a salary indicator of around £14,000 plus quelity cer and other normal benefits.

Please write in confidence, initially with brief details, and quoting raference 1230 to John Anderson, as Advisor to the company, at:-

John Anderson & Associates
Norfolk House, Smallbrook Queensway, Birmingham B5 4LJ.

The Career Care Group is the largest U.K. group of employment agencies for Professional end Technical Staff, with e turnover of £14m. Our specialised placement ectivities include Accountants, Banking Staff, Engineers, Architects, Draughtsmen and Technical and Craft personnel.

General Manager
Specialist Placements
c £12,000

In addition to our planned expansion for 1982 we ere interested in hearing from one or two people with experience of a particular area of specialist recruitment outside those we already service, with e view to the establishment of a new division within one of our existing offices, or in new premises, either in London or e major city elsewhere.

This is an opportunity to join en employment agency group with a consistent growth record, and which claims to achieve the right and happy balance between commercial success and social service in its placement activities.

For full details telephone 01-588 1031

CareerCare
GROUP LIMITED
41/42 London Wall, London E.C.2.

Senior Financial Analyst
Salary c. £13,000

Our client is seeking a Graduate Accountant aged at least 28 years, who sees the accounting position as a starting point for Financial Management in a very positive sense.

The initial role will be as a senior member of a Financial Analysis team, responsible for preparing projects to Main Board level and working alongside top management in Operating Companies on the analysis and review of major project, price and capacity proposals. The position will also involve the preparation of Strategic Plans, acquisition and divestment proposals end the review (not consolidation) of subsidiary operating performances.

A minimum of 5 years in manufacturing industry, including some exposure at plant level is essential, with U.S. company experience being of particular interest.

The successful applicant will be expected to graduate to a senior line, financial or general management position, either at an Operating Company or at Group Company Head Office. Tha ambition and ability to take advantage of this promotion is an important requirement.

The position, which offers a generous employment package, is located in the North West, but some travel in the U.K. will be necessary.

Applicants, male or female, should write giving details of age, education, qualifications, experience and remuneration, stating the name of any organisation to whom their application may not be sent, quoting reference no. 3626 to Mrs D. Tomkins.

St. James's
Corporate Communications Ltd.
Phoenix House, 45 Cross Street, Manchester, M2 4JF.

Senior Forex Dealer

A well known merchant bank which is part of a large international group requires a Senior Forex Dealer. The individual will be the second senior in a small department and must have suitable expenence.

Salary and fringe benefits are in line with current banking practice.

All enquiries will be accorded strictest confidence. Please write with full personal and career details quoting reference 1794 and listing separately those companies to whom you do not wish your details to be sent. Applications will be forwarded directly to our client.

Charles Barker
RECRUITMENT ADVERTISING SERVICES
30 Farringdon Street, London EC4A 4EA. 01-236 3011

FOREIGN EXCHANGE DEALER wanted for Private Company

Must have U.S./SF-DM-JY-BP exparience. Could presently be No. 2 in FOREX dealer or bank. Highly competitive remuneration with very attractive benefits, including travel to California.

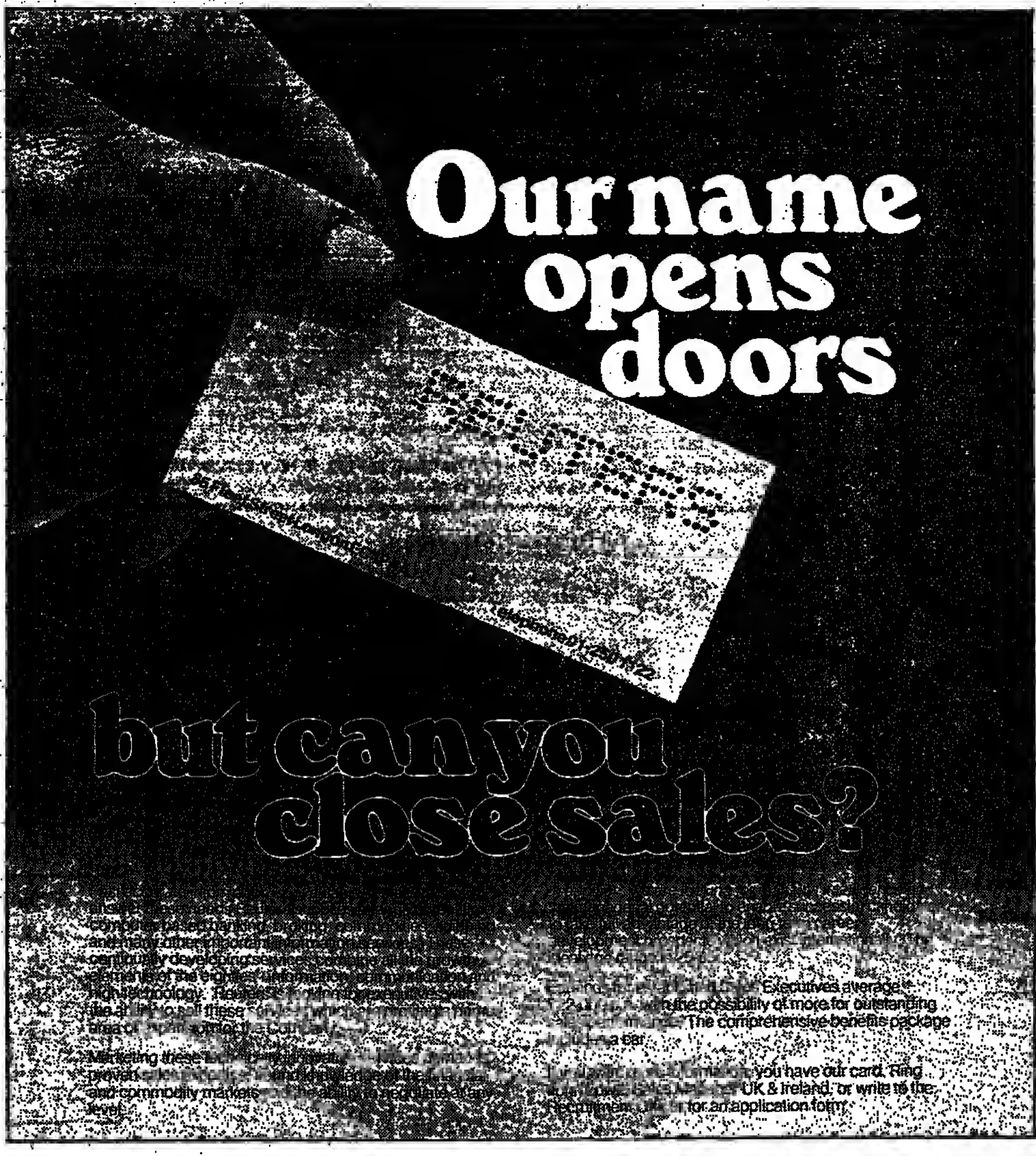
Reply with cv in confidence to Box A7921, Financial Times 10 Cannon Street, EC4P 4BY, or if you meet all qualifications Tel: 01-499 2838, Mr Axelrod for interview in early August

INVESTMENT MANAGER
c.£25,000
ALSO
INVESTMENT ASSISTANT
c.£10,000

Required for the management of church and charitable funds.

Knowledge of both fixed interest and equity markets essential.

Applications in strict confidence. C.V. to include career resume and any church connection to Box A7915, Financial Times, 10, Cannon Street, EC4.



INDUSTRIAL LEASING EXECUTIVE

c. £12,500

This top London merchant bank is currently looking for a self-motivated executive to expand and develop the leasing and industrial hire purchase activities of their lending department.

The ideal candidate will be between 28-32 and have a proven track record within a similar environment. Benefits include mortgage, STL and 4 weeks' holiday.

For full details please call:
MIKE BLUNDELL-JONES
01-439 4381
PORTMAN RECRUITMENT SERVICES

APPOINTMENTS WANTED

EX-LONRHO SENIOR EXECUTIVE

seeks challenging and rewarding general management position London or abroad
Write Box A7924
Financial Times
10 Cannon Street, EC4P 4BY

FINANCIAL DIRECTOR

£7½m subsidiary of international group, 31 years, ACA, B.Sc.(Eng.), seeks financial/commercial position in London/Home Counties. Experience of company reorganisations, potential mergers/acquisitions, computer specifications and installations. Commercial areas include buying and production planning. Worked in electronics and printing industries. Salary 17k plus car, negotiable. Write Box R.7919, Financial Times, 10 Cannon Street, London EC4P 4BY.

Data Processing Sales

$45,000 - $125,000

Due to the rapid expansion of two of our client organisations, we have been retained to assist in screening candidates for the following positions. Both organisations are well known U.S. based companies.

BRUSSELS
- SENIOR SALES REPRESENTATIVE
  Financial modelling
  Corporate planning applications software
  New account sales
- EUROPEAN SALES DIRECTOR
  Litigation support software
  Sales to Government

FRANKFURT
- SENIOR SALES REPRESENTATIVE
  Financial modelling
  Corporate planning applications software
  New account sales
- TECHNICAL CONSULTANT
  Programming skills
  Banking or Securities exposure

LONDON
- SENIOR SALES REPRESENTATIVE
  New account sales
  Financial modelling
  or
  Corporate planning applications software
  or
  Securities software
  or
  Litigation support software

Depending upon your experience, location and record of success, one of the listed positions could be the one that you have been waiting for. If you have ambitious financial and career goals, and are currently selling hardware, software or computer services to Corporations, Financial institutions or Government, respond in confidence to: Mr Laurence Sheehan, President, Corporate Development Systems Inc., Box A7918, Financial Times, 10 Cannon Street, London, EC4P 4BY.

CDS
Corporate Development Systems, Inc.
MANAGEMENT CONSULTANTS

Product Manager
Master Custodian

Our Corporate Custody Division, providing Global Custodian Services to U.S. Institutions is expanding its activities to offer accounting, valuation and performance measurement products in the U.K. and Europe.

We are looking for a mature, highly-motivated individual to market this product. The successful candidate, probably between 25 and 35, will have a thorough working knowledge of portfolio investment valuation techniques and an understanding of the world stock markets.

In addition to a competitive salary, fringe benefits include preferential mortgage and personal loan facilities, non-contributory pension scheme and bonus scheme.

Please write with a comprehensive C.V. to:
Rosemary Swift, The Chase Manhattan Bank N.A.,
Woolgate House, Coleman Street, London EC2P 2HD.
The position is open to both men and women.

CHASE

Administrator
City
c.£15,000 + car

A leading firm of chartered accountants seeks a partnership administrator, who will cover all non-financial matters in their London office, with a direct staff of 55. There is considerable scope to influence the efficiency and profitability of the practice, through better use of people, machines, external services and space.

Candidates, aged, say 35-50, must have substantially relevant experience gained in a professional practice or demanding commercial operation. A good educational background (A levels, later business studies or a professional qualification) is essential.

For a fuller job description write to John Courtis & Partners, 78 Wigmore St, London, W1H 9DQ, demonstrating your relevance explicitly but briefly, quoting reference FT 7105 on letter and envelope.

Both men and women may apply.

John Courtis and Partners

Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management counsellors have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today.

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 8HB. Tel: 01-493 1309/1085

INVESTMENT MANAGER
South Coast

Professional firm seeks investment manager aged 25 to 35 with experience of the City and the Stock Market and capable of advising individual private clients as a member of an investment team. A rare opportunity for investment work outside London in a good working environment. Salary and other benefits negotiable.

Apply with c.v. to Box A7923, Financial Times, 10 Cannon Street, London EC4P 4BY.

Investment Manager
Pension Funds
to £25,000 plus benefits

Our client, a leading institution with substantial funds under management, seeks a highly able individual to fulfil an important role at a senior level.

Candidates should be aged 35 to 45 with a sound track record in fund management, *ideally gained with an institution. Good communi*cative skills and experience of making presentations and attending trustee meetings would be distinctly advantageous.

The position entails liaison with pension fund clients and responsibility for the management of a number of predominantly UK funds, *together with involvement in strategy* formulation and business development. This will appeal to an individual who wishes to make a positive contribution to this successful and expanding part of the company's operations.

Please contact Stephen Embleton who will treat all enquiries in total confidence.

Stephens Associates
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

Managing Director

This is a main board appointment controlling a group of companies with a combined turnover around £150m. The activity includes the manufacture and sale to wholesalers, retailers and direct to consumers of well-known branded products. There are also substantial overseas interests.

- THE NEED is for someone with an outstanding record of profitable management of a branded products business.
- SALARY INDICATOR £45,000. Age up to 50.

Those who wish to be considered for this appointment are invited to write in confidence to P.T. Prentice as adviser to the group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET • LONDON W1N 6DJ

Group Chief Executive

FOUNDRIES, STEEL AND ENGINEERING

The Group Chief Executive is sought for a well known, publicly quoted British company with interests in foundries, steel and specialist engineering products. The company is profitable with turnover exceeding £70 million. The location is the Midlands.

This role is demanding and will appeal to a trained engineering executive of wide and proven general management experience with strategic vision and a sound knowledge of at least one of the above sectors. The capacity to restructure operations, establish clear performance objectives and motivate a strong divisional management organisation will be key.

Age is unlikely to be under forty and could well be into the mid-fifties. More important is breadth of experience, energy and the capacity to orchestrate change allied to a well conceived market strategy.

Compensation is high in order to match the equally high calibre of Chief Executive sought for this challenging appointment.

Please write in confidence with details, or telephone:

David Norman, Norman Resources Ltd., 3 St. James's Place, LONDON SW1A 1NP Tel: 01-499 7526

SENIOR ANALYST/CREDIT MANAGER

Salary £14,000 to £17,000 Age: 30-40.

A major bank's leasing subsidiary, seeks to fill a key position within the organisation. Applicants must have at least 5 years credit experience, covering: risk analysis, credit proposals, documentation, credit control, structuring, etc. Preference would be given to candidates with a U.S. bank background.

Please contact Brian Gooch

BANK OFFICERS

An opportunity has arisen with a major financial institution, for bankers with 4/5 years experience to join its International Systems and Operations Division. Applicants should possess full AIB or be working towards completion and have an aptitude for documenting procedures, writing manuals and revising/introducing forms. Salary will be negotiable *in the low five figure range.*

Please contact Paul Trumble

BANK ACCOUNTS

Salary £7,500 Age: 20's.

Interesting and challenging opportunity has been created with a developing international bank, in their accounts department. Candidates for this position will have previous bank accounting experience, including some experience of Bank of England and Head Office returns.

Please contact David Little

Jonathan Wren *170 Bishopsgate · London · EC2M 4LX · 01 623 1266*

Finance Manager

South East Wales • to £15,000 + car

Our client is a growing and successful textile processing company with a turnover approaching £20m per annum, over half of which is exported. Employing some 200 people, the Company is currently investing in new plant and modern technology as part of its business development strategy.

An energetic accounting professional is now sought to be responsible to the Financial Director for the operation and development of management and financial accounting procedures. The Company is committed to maximum computerisation for the fast and efficient preparation of information for management control. It has a small, experienced accounting team and an IBM System 34, which is the basis of the accounting systems.

Candidates must be qualified accountants, preferably Chartered, aged 30-45 and currently working in manufacturing industry. They should have a record of innovation and achievement in a demanding environment, considerable experience of management accounting, and a good appreciation of finance and company law.

Salary is negotiable according to experience, a company car is provided and conditions include free BUPA, contributory pension scheme and relocation assistance where necessary to one of many very attractive residential areas within easy reach of the factory.

Write or telephone for an application form or send brief cv to: A.E.N. Buckley at the address below *quoting ref: AA52/8030/FT* on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

PA Personnel Services

6 Highfield Road, Edgbaston, Birmingham B15 3DJ Tel: 021-454 5791 Telex: 337239

PA

A member of PA International

European Financial Manager

Central London

This major international company is seeking an able, creative accountant to head the financial function of its European Region with operations throughout Europe, and in the Middle East and Africa. The company, part of a diversified group, manufactures and markets its chemical products to a range of industry sectors worldwide. Turnover approaches £200m of which nearly half is generated by the Region. The European Financial Manager will join the small headquarters team, and work closely with the chief executive to ensure the success of existing operations and their development by acquisition or growth. Close links will be maintained with the Canadian parent and frequent visits to the operating subsidiaries will be necessary. Candidates, aged in their 30s with a degree and professional qualification, must have several years' experience in industry or commerce in a management role with international dimensions. A second European language, ideally French, is desirable. The negotiable salary is supported by an excellent benefits package which includes a car and incentive element.

Write for an application form or send brief CV to the address below, *quoting ref: AA51/8032/FT on both letter and envelope*, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants. Men and women may apply.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

David Grove Associates
Bank Personnel Recruitment
60 Cheapside, London EC2V 6AX.
Telephone: 01-248 1858.

SYNDICATIONS OFFICER £ Neg.

International merchant bank seeks an addition to its syndicated loans division.

Candidates will be graduates, or qualified accountants or lawyers, who have gained 2-3 years' banking experience which will have involved a certain amount of credit analysis and preferably some exposure to sovereign risk proposals.

Other current vacancies include:

SNR. MARKETING OFFICER—EUROPE Languages required.	£20,000+
SUPERVISOR, CREDIT & LOANS ADMIN.	c. £13,000
INTERNAL AUDIT.	£10,000
GRADUATE CREDIT ANALYST. About 1 year's experience—excellent potential.	£9,000
ACCOUNTS—PART-QUALIFIED. With Bank audit or accounts experience. Particularly good potential.	c. £8,000

In respect of the above appointments please contact David Grove on 01-248 1858.

CHIEF DEALER

A prestigious international bank which has built up an active presence in the Foreign Exchange market requires a senior dealer with the drive and expertise to maintain and develop the profitability of the operation.

BUSINESS DEVELOPMENT

A leading European bank are seeking to appoint a senior lending officer with proven experience in marketing financial facilities and developing new business to UK based companies and subsidiaries also to suppliers and brokers in the commodity market.

MONET MARKET / FUND INVESTMENT

This position in an overseas bank in the process of opening in London requires a senior banker or broker who is already established in managing funds for large corporate and personal accounts.

CORPORATE FINANCE

A leading UK bank who are expanding their worldwide activities in the North American and UK Capital markets require a banker with 3-4 years' experience in Corporate Finance with some exposure to the Bond markets to join a team in presenting and marketing the Bank's services.

INVESTMENT ANALYST

A large and profitable life assurance corporation is urgently seeking an experienced analyst to join the Investment Division in their City headquarters. Excellent prospects and benefits are offered.

Speak to Sheila Jones

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
105 OLD BROAD STREET LONDON EC2N 1AP 01-588 3991

Phillips & Drew

Traded Options

We have a vacancy in our traded options section for a bright young graduate with one or two years' experience in a stockbroking environment.

Applicants should have a mathematical bias and be self starters. Full training in this market, which we consider to have good long-term potential, will be given. Salary and working conditions will be competitive and will include a bonus and variety of fringe benefits.

Please apply to:

Caroline Barrett
Phillips & Drew
Lee House, London Wall, London EC2Y 5AP

SENIOR MANAGER

A Brazilian Bank in London wishes to recruit an internationally oriented banker in the age bracket 30-40. Although the successful candidate will be based in London it is anticipated that there might be a relocation abroad. Candidates should have a solid banking background and a thorough knowledge of Brazilian banking practices and regulations, probably gained from a working period in Brazil. Fluency in Portuguese and English are essential prerequisites. Salary will be commensurate with experience and ability. Applications will be treated in strict confidence.

Reply to Box A.7913, Financial Times 10 Cannon Street, London EC4P 4BY

THE ASTLEY & PEARCE GROUP

are looking for experienced Eurocurrency Deposit Brokers to take on senior responsibilities within their offices in London or overseas.

Salary and benefit package entirely flexible in line with the experience and proven ability of the successful applicants.

Please send full c.v. in confidence to:

Mr. W. E. Matthews
ASTLEY & PEARCE LTD.
80, Cannon Street
London EC4N 6LJ

or telephone Personnel on 01-626 2486 for an application form.

FINANCIAL ADVERTISING

MEED, the publishers of ARAB BANKING & FINANCE magazine, are looking for a professional salesperson experienced in selling corporate banking and tombstone advertising to join a highly-motivated London-based sales team.

The successful applicant will take responsibility for international advertising sales of ARAB BANKING & FINANCE which will be published monthly in 1983.

ARAB BANKING & FINANCE backed by the resources of the MEED group, will circulate to 15,000 and more Arab and international bankers and financiers, and a topline sales person is required who can not only sell but also negotiate advertising at board-room level world-wide.

Salary and commission are negotiable.

Starting date no later than 11 October 1982. Interviews in London mid-August.

Apply with full CV to:
Gordon Penny, MEED House, 21 John Street, London WC1N 2BP.

PERSONNEL CONSULTANT

Based in WINDSOR or PICCADILLY. If you are qualified and succesful in management selection and seek a wider, more rewarding role, please contact Peter Barnett, Barnett Keel Personnel Consultancy Services Limited, Head Office, Providence House, River Street, Windsor, Berks. Tel: 58860.

BARNETT KEEL

CJA RECRUITMENT CONSULTANTS

35 New Broad Street, London EC2M 1NH
Tel: 01-588 3588 or 01-588 3576
Telex No. 887374

Key appointment with prospects to advance to a senior line or board position in U.K. or overseas within 3-4 years

CJRA

CHIEF FINANCIAL OFFICER—U.K.

WILTSHIRE **£24,000 — £32,000**

RAPIDLY GROWING SUBSIDIARY OF U.S. MULTINATIONAL HIGH TECHNOLOGY GROUP T/O £500M

We invite applications from Accountants (CA, ACA, ACCA), ideally graduates, aged 30-40, who must have at least six years' successful and demanding post-qualification experience, including four years' wide ranging financial exposure at a senior level in industry. The selected candidate, who will report to a member of the Board, will be expected to make a major impact on and contribution to the business development of the company which has manufacturing, research, marketing and development activities in the U.K. Also there will be responsibility for a staff of 40 in the accounting and tax/treasury functions. Essential qualities are strong commercial awareness, credibility and effective communication skills plus a sense of humour. Initial salary negotiable in the range £24,000-£32,000, car, non-contributory pension, free life assurance, stock purchase scheme and a generous relocation package. Applications in strict confidence under reference CF14247/FT will be forwarded unopened to our Client, unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager:

CAMPBELL-JOHNSTON RECRUITMENT ADVERTISING LIMITED, 35 NEW BROAD STREET, LONDON, EC2M 1NH.

* Please only write to us if you are applying for the above position.

Property Finance Executive

UDT is one of Britain's major finance houses and a member of the TSB Group. Our Property Finance Division, which services £multi-million loan portfolios well spread over leading property development and investment companies, now requires an additional executive to assist in the negotiation and control of new loans business.

Candidates, ideally in their late 20s to mid 30s, must be able to negotiate at a senior level and be skilled in financial analysis and report writing. They should have preferably completed, or be nearing completion of, an appropriate professional qualification (eg. ACA, ACCA, AIB, ACIS), and it would be an advantage to have experience of the UK property market and/or property development/investment.

Salary will be negotiated according to experience and qualifications, and benefits include a company car, non-contributory pension and life assurance, mortgage subsidy, staff loan schemes and 5 weeks' holiday. The post is based in London but some travelling within the UK will be required.

• Please write or telephone for an application form to: Glenn Connell, Personnel Officer, United Dominions Trust Limited, 51 Eastcheap, London EC3P 3BU. Tel: 01-623 3020.

UDT

QUALIFIED ACCOUNTANT

BROMLEY, KENT

Private company is looking for a recently qualified accountant to take charge of the accounts department of a newly acquired subsidiary. He/she will possess a working knowledge of computer processes and will work closely with the group accountant. Good prospects with an expanding company. Salary and benefits negotiable.

Write Box A7928
Financial Times
10 Cannon Street, EC4P 4BY

STRATEGIC PLANNING

We are a large multinational Corporation with substantial commitments in natural resources and wish to increase the strength of our Corporate Planning team in London. Initial training in our systems will be given to a suitable Geologist or Mining Engineer aged 30-40 with an MBA, some exposure to marketing and new project planning, varied international experience, and accustomed to a complex business environment.

Resumes in confidence to:

Box A.7922, Financial Times, 10, Cannon Street, London EC4P 4BY.

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

DEPARTMENT OF BUSINESS ECONOMICS
E P BRADLOW

CHAIR OF BUSINESS ECONOMICS

This challenging opportunity — The EP Bradlow Chair of Business Economics, which also involves the Headship of the Department, offers outstanding scope for personal achievement with one of South Africa's leading Universities.

Applicants, regardless of sex, race, colour or national origin, should ideally have several years broadly based teaching experience and possess a good publications record. Further experience gained at a senior level in Industry or Commerce would be an added advantage. The ability to communicate effectively at all levels and to lead the department in both academic and administrative areas is important.

The Department presently concentrates on four main areas of teaching, study and research: Business Finance, Marketing, Labour Economics and Production Theory. The successful person will have the opportunity to change the emphasis of research in those fields and to develop new ones if desired, he or she will also enjoy excellent support from the business community.

The salary is in the range of R23 109—R30 255 per annum, plus a salary subvention of R7 500. Private consulting work subject to University regulations is permitted.

Benefits include housing subsidy, pension fund, medical aid fund, an annual bonus of nearly one month's salary, generous research leave privileges and 75% remission of tuition fees for dependants attending the University. Assistance with relocation expenses will also be offered. The University would be prepared to consider a contract appointment.

The post commences early 1983 or sooner if preferred.

Interested applicants may obtain further information from: Director: Personnel Office University of the Witwatersrand, 1 Jan Smuts Avenue, Johannesburg, South Africa 2001.

Closing date for applications, 30th September 1982.

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY. Telex: 8954871. Telex: (Advertising) 885033. Telegrams: Finantimo, London. Telephone: 01-248 8000. Frankfurt Office: The Financial Times (Europe) Ltd., Guiolettstr. 54, D-6000 Frankfurt-am-Main 1, West Germany. Telex: 416193. Telephone: 7598-0. Editorial: Frankenallee 71-81. Telex: 416052. Telephone: 7598 157.

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex: 16527. Tel: 276 796.

Birmingham: Editorial and Advertising George House, George Rd., B15 1PG. Telex: 338650. Tel: 021-454 0922.

Bonn: Pressehaus 11/104 Heussallee 2-10. Telex: 8869542. Tel: 210039.

Brussels: 39 Rue Ducale. Telex: 23283. Fax: 512 1404. Tel: 512 9037.

Buenos Aires: Edificio Sifco Piso 7, No. 74 Avenida Corrientes 456, Codigo 1366. Tel: 3947696.

Cairo: P.O. Box 2040. Tel: 751482.

Dublin: 25 South Frederick St., Dublin 2. Telex: 25414. Tel: Dublin 603378.

Edinburgh: Editorial and Advertising 37 George Street, EH2 2HN. Telex: 72484. Editorial Tel: 031-226 4120. Advertising Tel: 031-226 4139.

Frankfurt: Editorial Frankenallee 71-81. Telex: 416052. Tel: 7598 157. Advertising Guiolettstr. 54. Telex: 416193. Tel: 7598-0.

Hong Kong: Room 302, Hang Chong Building, 5 Queens Road Central. Telex: 75204 HX. Tel: 5-235166.

Johannesburg: P.O. Box 2128. Telex: 8-6257. Tel: 838-7545.

Leeds: Advertising Permanent House, The Headrow. Tel: 0532 454969.

Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533. Tel: 362 508.

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772.

Manchester: Editorial and Advertising Queen's House, Queen St., M2 5HT. Telex: 666813. Tel: 061-834 9381.

Mexico City: Paseo de la Reforma 122-10, Mexico 6BF. Tel: 535 1368.

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 413300 Finanso. Tel: 243 1635.

New York: Editorial and Advertising 75 Rockefeller Plaza, N.Y. 10019. Editorial Telex: 66390. Tel: (212) 541 4625. Advertising Telex: 238409. Tel: (212) 489 8300.

Paris: Editorial and Advertising Centre d'Affaires Le Louvre, 168 Rue de Rivoli, 75044, Paris Cedex 01. Telex: 220044. Tel: 297 2000.

Rio de Janeiro: Rio Branco 45, Salas 2611-2612, Centro DEP 20090, Rio de Janeiro RJ Brazil. Tel: 263 8845. Telex: c/o Reuters.

Rome: Editorial Via della Mercede 55. Telex: 610032. Tel: 678 3314.

Stockholm: Editorial Svenska Dagbladet, Raalambsvagen 7. Telex: 17603. Tel: 50 60 88.

Tokyo: Editorial 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax: 245 0358. Tel: 241 2920. Advertising Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex: 127104. Tel: 295 4050.

Washington: Editorial 914 National Press Building, Washington D.C. 20045. Telex: 440340. Tel: (202) 347 8676.

For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

All advertising is subject to the publisher's current terms and conditions, copies of which are available on request.

COMPANY NOTICES

U.S.$175,000,000
UNITED MEXICAN STATES
$13\frac{1}{2}$% RETRACTABLE BONDS DUE 1997

Arrangements have been completed for the issue by the United Mexican States of the remaining U.S.$25,000,000 aggregate principal amount of its U.S.$175,000,000 Retractable Bonds Due 1997 in a single subsequent tranche. Bonds of the subsequent tranche contain the same terms and conditions as, and rank in all respects pari passu with, the Bonds of the initial tranche of U.S.$150,000,000 issued on 21st July, 1982. Particulars of the Bonds are available in the Extel Statistical Services. The Bonds constituting the subsequent tranche have been admitted to the Official List by the Council of The Stock Exchange.

MERRILL LYNCH INTERNATIONAL & CO.

22nd July, 1982

MURRAY FUND S.A.

société anonyme
Siège social:
LUXEMBOURG, 14, rue Aldringen

DIVIDEND ANNOUNCEMENT

The shareholders are hereby informed that the Annual General Meeting of July 16, 1982 has approved the payment of a dividend of

$USA 0.22 per share

to shares subscribed and in circulation on July 16th, 1982 payable immediately against presentation of coupon number 13.

The shareholders can cash the dividend at the following banks:
—Banque Générale du Luxembourg, S.A.
27, Avenue Monterey LUXEMBOURG
—Clydesdale Bank Ltd.
30 Lombard Street
LONDON, E.C.3

The Board of Directors.

BRITISH STEEL CORPORATION

US$50,000,000
$6\frac{3}{4}$% GUARANTEED BONDS 1989

Holders of the above Bonds are advised that copies of the Annual Report and Accounts of British Steel Corporation for the financial year ended 3rd April 1982 are available from S. G. Warburg & Co. Ltd., Coupon Department, St. Albans House, Goldsmith Street, London EC2P 2DL.

22nd July, 1982

ENERGY INTERNATIONAL N.V.

(Incorporated with limited liability in the Netherlands Antilles)

Shareholders in the Fund are advised that payment of a dividend of US$0.86 per share for the year ended 31st March, 1982 has been approved by the Annual General Meeting held on 19th July, 1982.

Coupon number 13 on bearer share certificates will be paid on presentation at the offices of the Paying Agents on and after 22nd July, 1982. Cheques will be posted to holders of registered shares on that date.

Copies of the Report of the Fund for the year ended 31st March, 1982 will be available at the offices of the banks and brokers from whom shares were purchased and at the offices of the Paying Agents.

By order of the Board of Management

Curacao
22nd July, 1982

HOPE STREET FUND S.A.

société anonyme
Siège social:
LUXEMBOURG, 14, rue Aldringen

DIVIDEND ANNOUNCEMENT

The shareholders are hereby informed that the Annual General Meeting of July 16, 1982 has approved the payment of a dividend of

$USA 0.35 per share

to shares subscribed and in circulation on July 16th, 1982 payable immediately against presentation of coupon number 13.

The shareholders can cash the dividend at the following banks:
—Banque Générale du Luxembourg, S.A.
27, Avenue Monterey LUXEMBOURG
—Clydesdale Bank Ltd.
30 Lombard Street
LONDON, E.C.3

The Board of Directors.

BANQUE NATIONALE DE PARIS

FLOATING RATE NOTE ISSUE OF US$70 MILLION JANUARY 1977/83

The rate of interest applicable for the six months period beginning on July 21st, 1982 and set by the reference agent is $14\frac{11}{16}$% annually.

BANQUE NATIONALE DE PARIS
US$12,500,000 FLOATING RATE NOTES DUE 1988 (SERIES B)

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period 22nd July 1982 to 24th January 1983 has been fixed at 14.3125 per cent per annum. On 24th January 1983 interest of US$389.74 per US$5,000 nominal amount of the notes and US$3,897.40 per US$50,000 nominal amount of the notes will be due against interest coupon No. 2.

SWISS BANK CORPORATION INTERNATIONAL LIMITED
Reference Agent

PUBLIC NOTICES

TAYSIDE REGIONAL COUNCIL — £5,000,000 Bills issued 22nd July, 1982 at $11\frac{17}{32}$% due 21st October, 1982. Total applications £47,000,000. Total bills outstanding £14,500,000.

ST HELEN'S BOROUGH COUNCIL BILLS —issued 20th July 1982. £2.5m at 11 43-64ths%. Due 19th October 1982. Applications £17.5m. Total outstanding £6.25m.

METROPOLITAN BOROUGH OF BURY — £2m Bills issued 21st July 1982. Due 20th October 1982 at 11.65625%. Applications £16m. Bills outstanding £5m.

ART GALLERIES

WHITECHAPEL ART GALLERY, E1. 377 0107. Tube Aldgate East. To 26 Sept. SIR CHRISTOPHER WREN. Sun.-Fri. 11-5.30, Thurs. to 7.30, cl. Sat. Admission £1 (50p) free Children & Mondays 2-5.30.

ARTEMIS FINE ARTS (UK) LIMITED, 15, Duke Street, St. James's, SW1. Exhibition of MASTER PRINTS AND DRAWINGS. Mon.-Fri. 10-5 until 23rd July. Also WHISTLER ETCHINGS at 6a, Mason's Yard.

COLNAGHI, 14, Old Bond Street, W1. 01-491 7408. DISCOVERIES FROM THE CINQUECENTO, until 7 August. Mon.-Fri. 10-6. Sat. 10-1.

LEFEVRE GALLERY, 30, Bruton St., W1. 01-493 1572/3. XX CENTURY WORKS OF ART. Mon.-Fri. 10-5.

CRANE KALMAN GALLERY, 178 Brompton Rd., SW3. 01-584 7566. BRITISH AND EUROPEAN ART. Works by Nicholson, Sutherland, Matthew Smith, Lowry, Moore, Bomberg, etc. also Vlaminck, Derain, Bauchant etc. Mon.-Fri. 10-6. Sats. 10-4.

RICHARD GREEN GALLERY, 4, New Bond St., W1. 01-499 5487. EXHIBITION OF EIGHTEENTH AND NINETEENTH CENTURY PRINTS OF FLOWERS AND THE LANDSCAPE GARDEN. Until 7th August.

PERSONAL

BREATHTAKING BARBICAN. Now complete, Tower Flats to rent, unfurnished £4,500 to £24,000 p.a. Company applications welcome. Ring 01-628 4372 or 01-588 8110.

CLASSIFIED ADVERTISEMENT RATES

	Per line £	Single column cm £
Commercial & Industrial Property	8.00	27.50
Residential Property	6.00	20.00
Appointments	8.50	29.00
Business, Investment Opportunities	8.50	29.00
Businesses for/Sale Wanted	8.50	29.00
Personal	6.00	20.00
Motor Cars	6.00	20.00
Hotels & Travel	6.00	20.00
Contracts & Tenders	8.00	27.50
Book Publishers	—	net 12.00

Premium positions available (Minimum size 30 column cms)

£6.00 per single column cm extra

For further details write to:

Classified Advertisement Manager
Financial Times
10, Cannon Street, EC4P 4BY

Gilts react after news of £600m Government funding Glaxo and Turner and Newall weak among equities

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
July 5	July 15	July 16	July 26
July 19	July 29	July 30	Aug 9
Aug 2	Aug 12	Aug 13	Aug 23

* "New-time" dealings may take place from 9.30 am two business days earlier.

Interest rates remained the dominant influence in London stock markets, but investors yesterday were showing less enthusiasm than on Monday and Tuesday. Both main investment areas therefore did little more than attempt to consolidate recent gains. South African Gold shares provided an exception, staging another broad advance on widespread support encouraged by the bullion price, which yesterday leapt $16 to $366 an ounce.

Illustrating the London market's sensitivity to cheaper money trends, Gilt-edged investors initially held back mulling on the Bank of England slow-down signal to UK money markets on Tuesday. The Bank's further lowering of its intervention rates in all four bands later yesterday prompted revived investor optimism and Gilt-edged quotations quickly reclaimed early falls to stand higher on balance ahead of the surprise 3.30 pm announcement of fresh Government funding via the issue of £300m tranches of both Treasury 11¾ per cent 1989 and Exchequer 12 per cent 1998.

When dealings were resumed at 4.15 pm after the usual recess, the tone was distinctly easier. Profit-taking and loose selling lowered most longer-dated stocks by ½ from 3.30 pm levels, but the shorts retained small gains. Reflecting the late easiness, the FT Government Securities index, which had risen strongly over the four previous sessions, closed 0.15 off at 72.21.

Equity markets found comfort in New York's sharp late rise overnight and leading shares opened in good heart. But lack of worthwhile investment interest caused values to slip and sentiment later was also unsettled by fresh weakness in recent star-performer Glaxo.

A nervous market since last Friday's criticism of its anti-ulcer drug Zantac, Glaxo dropped 24 more to 731p; talk of sizeable selling was dismissed, the fall being attributed mainly to the withdrawal of recent investment buyers. Turner and Newall fell 5 to 56p and the weakness of these two constituents accounted for over two points of the loss in the FT Industrial Ordinary share index. This measure of the market, up 19.5 over the two previous days, closed 3 points off at 573.2, but the FT-Actuaries Industrial Group index ended a shade harder at its highest since compilation.

Midland fall

Fresh support developed for Zimbabwe Settlement Annuities and the price rose 7 points to equal the 1982 high of £372.

The 30 per cent drop in second-quarter profits reported by its U.S. subsidiary, Crocker National, depressed Midland which fell 22 to 330p. NatWest closed 5 down at 440p but Lloyds, which starts the interim dividend season tomorrow, improved 4 more to 392p. A good sector of late on lower interest rate hopes, Discount Houses were given a further fillip by Union's encouraging interim statement. Union closed 25 to the good at 480p, while Cater Allen put on 15 to 345p and Gerrard and National 10 to 290p.

Insurances turned irregular in moderate trading. Hogg Robinson fell 4 to 97p after comment on the disappointing results, while Eagle Star ended the same amount off at 362p, after 358p, following the Board's decision not to contest the EEC Commission's recent ruling on Allianz's major shareholding. Willis Faber put on 12 to 497p.

Recent Issues provided isolated minor features in Anglo-Nordic, up 5 at the highest yet of 45p, and *Argyll Foods Warrants*, which put on 2 to 17p.

Support for Breweries declined from the levels seen earlier in the week, although the leaders *still managed gains in places*. Greenall Whitley, a neglected market recently, rallied 4 to 106p, while similar rises were noted for Whitbread, 121p, and Bass, 229p.

Interest in the Building sector began to wane after the recent burst of activity inspired by the prospects of lower interest rates. Among the occasional movements, Travis and Arnold rose 12 to 192p on speculative support. Fresh buying in anticipation of today's preliminary figures left Y. J. Lovell another 4 higher at 148p. Mixconcrete, in contrast, reacted 8 further to 174p awaiting developments in the bid situation.

ICI drifted off a couple of pence to 304p, but Allied Colloids continued to respond to the preliminary figures and rose 9 more to 255p; prices given in yesterday's issue for both companies were incorrect.

Stores finished a shade firmer for choice after a quiet and disappointing session. Gussies A firmed 5 more to 498p, but House of Fraser gave up 4 at 152p.

Interest in the Electrical leaders waned and prices closed unchanged to a shade easier. Elsewhere, Ferranti firmed 5 more to 845p on vague bid suggestions, while BSR revived with a rise of 3 at 64p; Dubilier were fairly active and 3 dearer at 84p, after 86p, on speculative support. Automated Security firmed 9 to 253p and Sound Diffusion gained 4 to 111p.

A slow trade in the Engineering leaders left quotations a shade lower in places, GKN closing 3 cheaper at 146p and Vickers 2 down at 141p. John Brown, preliminary results due tomorrow, eased a penny to 55½p. Elsewhere, Birmid Qualcast fell 3½ to 23½p on the half-yearly results and uninspiring statement. Associated British Engineering firmed 1½ to 31½p in response to the increased dividend and annual profits. Press mention stimulated occasional support for J and HB Jackson, which improved 3 to 53p. Lake and Elliot edged up 2 to 33p. GM Firth, a good market recently on the preliminary figures, met profit-taking and reacted 5 to 155p, while Bootham Engineers eased 3 to 145p on the bigger annual trading loss.

Food Retailers continued to make steady progress. Associated Dairies firmed 4 at 130p, as did Linfood, at 200p. Tesco added a penny to record a three-day gain of 7 to 78p pending details of boardroom changes. William Morrison hardened a couple of pence more to 140p, while Hillards, preliminary results expected early next month, advanced 8 to 166p. Manufacturers were irregular. George Bassett remained in demand and touched 82p before settling for a net gain of 2 at 80p. Northern firmed 4 to 156p, but Avana reacted to profit-taking and, at 336p, gave up 7 of the previous day's rise of 18. Awaiting further developments in the bid situation, British Sugar, 461p, and S. and W. Berisford, 136p, eased 5 and 4 respectively.

Cape Industries weak

A Tuesday evening television documentary highlighting the cause of the controversial disease, asbestosis, brought selling pressure to bear on asbestos manufacturers Cape Industries and Turner and Newall; the former fell steadily to close 12 down at a 1982 low of 80p and the latter ended 5 lower at 56p, after 54p. Elsewhere in miscellaneous industrials, Glaxo fell 24 more, making a drop of 64 to 731p since last week's Italian doctors' criticism in the Lancet of the group's Zantac anti-ulcer drug; Beecham cheapened a few pence to 287p. Unilever, on the other hand, rose 23 to 627p in response to investment support. Secondary issues had Macarthys Pharmaceuticals 9 higher at 174p on buying ahead of the preliminary figures scheduled for next Wednesday, while Johnson Matthey firmed 7 to 247p in sympathy with the current strength of the gold bullion price.

Satisfactory first-half figures prompted a penny improvement in Gestetner A to 50p, after 52p, while buyers returned for Ricardo and Sidlaw, which rose 10 to 488p and 177p respectively. Recently weak Australian issues rallied, Broken Hill Proprietary closing 17 higher at 422p and CSR 8 up at 170p. Morgan Crucible's 5¼ per cent Irredeemable Convertible were marked up 22 points to £80 and the 6⅞ Irredeemable 26½ points to £87 on the proposed repayment terms of £81 per cent and £88 per cent respectively. Continuing to reflect disappointing second-half results, Vinten fell 14 more to 262p.

Lucas eased a few pence to 153p following news of the closure of the diesel engine injector plant at Ipswich. Elsewhere in subdued Motors, support was forthcoming for British Car Auctions, 3½ dearer at a 1982 high at 106½p.

Interest rate enthusiasm continued to spur Properties. Land Securities firmed 5 more to 282p and Slough *Estates* hardened 2 to 98p. MEPC touched 188p in the early trade, but met profit-taking and ended a net 2 off at 183p. British Land hardened a penny to 81p, after 83p, and the 12 per cent Convertible 2002 advanced 11 points to £273 in response to the annual results.

Oils fluctuate

Oils rarely strayed far from previous closing levels, with quotations easing from early firmness. British Petroleum and Shell both settled without alteration at 266p and 400p respectively. Elsewhere, Berkeley Exploration, still reflecting the proposed rights issue, eased 5 further to 150p.

Attention in Overseas Traders was centred on Lonrho which were briskly traded and rose to a 1982 peak of 91p before settling for a net gain of 3 at 89p; the interim results are expected shortly. Elsewhere, Gill and Duffus edded a couple of pence to 118p, while Harrisons and Crosfield, the subject of brokers' conflicting circulars earlier in the week, closed 25 higher at 537p.

The Financial sector was featured by a jump of 22 to 177p in Aitken Hume in response to the sharply higher annual profits. Elsewhere, money brokers showed renewed firmness, Mills and Allen improving 15 to 480p and R. P. Martin 5 to 305p.

Fresh investment demand left British and Commonwealth 6 higher at 498p in Shippings.

Cautious comment in the wake of the preliminary results prompted profit-taking of Rothmans International, which eased 4 to 94p.

South African industrials closed with good gains reflecting the strength of the financial Rand and the bullion price. Tiger Oats jumped 85 to 825p, while Barlow Rand 357p, and Abercom, 127p, rose 17 and 10 respectively.

Golds surge ahead

The recent surge by mining markets gathered momentum in the wake of renewed gains in precious and base-metal prices.

South African Golds attracted heavy and persistent buying throughout the day, boosted by the strength of the bullion price, which touched a day's high of around $369 an ounce prior to closing a net $16 up on the day at $366 — *its best closing level* since late February.

Initial buying of Golds emanated from Johannesburg and was quickly followed by substantial demand from London and Continental sources. The opening of U.S. markets brought out light profit-taking from New York, but this soon petered out and share prices closed at, or a fraction below, the day's highest levels.

The Gold Mines Index advanced 17.3 more to 255.5 — a gain of 30.5 over the last three trading days to its highest since April 26.

Heavyweights were featured by Hartebeest, almost 2 points higher at £22 *following the good* June quarterly profit, while gains in excess of a point were common to Randfontein, £27, Kloof, £13¼, Free State Geduld, £13¼ and Vaal Reefs, £29¾, the last-named ahead of the interim dividend due on Friday.

Financials attracted widespread support following the continued upsurge in Golds. Anglo American Corporation jumped 45 to 580p, Middle Wits 60 to 450p and "Amgold" £2¾ to £33¾.

The easier trend in UK equities failed to deter London Financials which responded to sizeable gains in copper, lead and zinc as well as precious metals. Gold Fields moved up 14 to 407p, after 411p. Rio Tinto-Zinc added 10 more at 412p and Charter put on 5 to 265p.

Australians gained ground across a broad front led by gold and silver producers. Gold Mines of Kalgoorlie raced ahead to close 35 higher at 215p, Central Norseman jumped 48 to 285p and Poseidon 15 114p.

Peko-Wallsend were heavily bought and put on 22 to 260p, while Western Mining rose 10 to 187p and MIM Holdings 7 to 174p.

The more speculative precious metal counters showed Hill 50 with a gain of 3 at 18p, Otter 4 better at 22p, and Allstate 2 firmer at 11p.

Despite the relatively subdued performance of the London equity market, demand for Traded Options held up reasonably well and 2,457 contracts were done, well below Tuesday's 3,222, but above last week's daily average of 1,721. The buoyancy of the underlying share price prompted another active business in Lonrho in which 684 calls were struck, the August 90's and November 90's accounting for 284 and 167 trades respectively. Electricals were also wanted with 152 calls done in GEC and 228 in Racal. The strength of the tal price resulted in *good support* for gold-orientated issues. Cons. Gold Fields recorded 190 calls and 68 puts. Vaal Reefs, dealt in $U.S. and virtually moribund since their introduction, finally came to life and attracted 117 calls and 17 puts; the interim statement is expected today.

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
July 12	July 23	Oct 14	Oct 25
July 26	Aug 6	Oct 28	Nov 8
Aug 9	Aug 20	Nov 11	Nov 22

For rate indications see end of Share Information Service

A quiet day's trading in the Option market saw calls arranged in Sound Diffusion, A. F. Bulgin A, Wearwell, Lonrho, Dubilier, Lofs, ICL and Henlys. A put was done in Ferranti, while doubles were taken out in Consolidated Gold Fields and UDS.

FINANCIAL TIMES STOCK INDICES

	July 21	July 20	July 19	July 16	July 15	July 14	A year ago
Government Secs.	72.21	72.36	71.98	71.19	71.04	70.86	63.81
Fixed Interest	72.79	72.57	71.96	71.51	71.38	71.66	65.83
Industrial Ord.	573.2	576.2	569.6	556.7	556.4	563.8	617.0
Gold Mines	255.5	238.2	230.2	225.0	227.9	232.2	325.a
Ord. Div. Yield	5.40	5.39	5.42	5.54	5.51	5.52	6.11
Earnings, Yld.% (full)	11.40	11.39	11.44	11.69	11.54	11.59	11.71
P/E Ratio (net) (*)	10.63	10.64	10.59	10.36	10.52	10.48	10.71
Total bargains	17,405	18,002	15,177	16,845	14,826	13,241	19,166
Equity turnover £m.	—	189.07	124.37	148.23	131.62	102.42	194.15
Equity bargains	—	14,603	12,663	12,947	11,879	11,137	12,483

10 am 577.5. 11 am 577.2. Noon 576.0. 1 pm 574.5. 2 pm 573.2. 3 pm 573.2.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=8.91.

HIGHS AND LOWS

	1982 High	1982 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	72.36 (20/7)	61.69 (5/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	72.72 (2/7)	62.79 (7/1)	150.4 (28/11/47)	50.53 (6/1/75)
Ind. Ord.	594.0 (8/6)	518.1 (5/1)	597.3 (30/4/81)	49.4 (26/6/40)
Gold Mines	302.0 (5/1)	181.2 (22/6)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	July 20	July 19
Daily Gilt Edged Bargains	241.7	235.2
Equities Bargains	94.6	88.0
Value	383.2	251.4
5-day Avrge. Gilt-Edged Bargains	217.6	212.3
Equities Bargains	81.7	76.9
Value	881.2	861.7

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. Date	1982 High	1982 Low	Stock	Closing price p	+ or −	Div. p. or amount	Times Covered	Gross Yield	P.E. Ratio
‡‡	F.P.	—	45	40	Anglo-Nordic 5p	45	+5	b0.69	8.0	2.8	25.3
‡‡	F.P.	—	82½	79	Antofagasta Hldgs £1	80	...	7.0	3.6	12.5	2.4
‡‡	—	30/7	17	11	Argyll Foods Warr'ts.	17	+2	—	—	—	—
‡‡	F.P.	—	48	41	Argyle Trust	42	+1	—	—	—	—
¶250	F.P.	23/6	290	260	Assoc. Heat Services	290	...	F0.0	φ	4.4	φ
§45	F.P.	—	46	43	Atlantis Res. Int.	43	−1	—	—	—	—
46	F.P.	30/7	55	50	Bairstow Eves 5p	54	−1	b1.61	2.5	4.3	13.2
§518	F.P.	30/7	69	62	✻Dencora	52	...	—	—	—	—
§30	F.P.	28/6	175	140	✻Druck Hldgs.	175	+2	b2.3	8.5	1.9	30.4
—	F.P.	—	106	102	✻Ecobric New Ord £1	100	...	bd10.5	1.8	14.7	4.5
—	F.P.	—	63	62	✻ Do. Defd.	62	...	—	—	—	—
§87½	F.P.	26/8	98	84	Electro-Prot. US$0.50	93	−1	uQ1.6c	8.9	1.0	12.7
§60	F.P.	8/8	60	54	✻Knight Cmptr Int 5p	54	−1	bd1.6	2.0	4.2	17.2
§137	F.P.	30/7	195	150	✻McCarthy & Stone	187	−1	b5.75	2.7	4.4	11.3
§105	F.P.	2/7	121	110	✻Miles 33 10p	117	...	ud2.9	4.6	2.4	10.2
600	F.P.	9/7	630	596	Oriflame SA (US$1.50)	630	+10	bQ50c	2.2	4.4	10.1
§150	F.P.	13/8	155	150	✻Oilfield Insp. Srvc	155	...	u2.1	3.7	2.0	17.4
77	F.P.	14/7	97	88	✻Radio City 'A' NV	93	+1	b5.6	1.5	9.6	10.9
‡‡	F.P.	—	38½	39	Rowe Evans Inv. 10p	38	−½	—	—	—	28.3
140	F.P.	29/6	186	160	✻Ruddle (G.) 10p	180	...	b5.3	2.6	2.6	20.0
11	F.P.	—	$26	$25½	Sarakreek (Br.) Fl. 85	26½	...	Q$2.50	1.2	9.0	0.1
‡‡	F.P.	—	44	37½	Walker (Alfred) 10p	38½	+1	b0.76	5.3	0.8	7.2

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982 High	1982 Low	Stock	Closing price £	+ or −
‡‡	F.P.	—	60p	55p	Antofagasta 3.6% Pref. (£1)	55p	...
§100	F.P.	9/7	107	98	Benlox 8% Conv. Cum. Rd. Pf.	100	...
§100	£10	26/8	12½	10½	Bournemouth Water 9% Red. Prf. 8789.	12	−½
§100	Nil	29/7	½ pm	¼ pm	Cronite 14% Cnv. Uns. Ln. '02	¼ pm	...
‡‡	F.P.	—	146¼	130	First Nat. 12½pc Conv. Uns. Ln. 1987	140	+1
§100	F.P.	9/7	101	91½	Marlborough Props. 10% Cnv. Ln. '99-2002	92	−1
25.55	£25	8/10	28¼	23¾	Midland Bk. 14% Sub. Uns. Ln. 2002-07	28¼	...
100	F.P.	—	101	100½	Nationwide Bdg. Soc. 15½% (3/6/83)	101	...
100	F.P.	—	101	98½	Do. 14% (4/7/83)	101	...
100	F.P.	—	100¼	100⅛	Do. 13½% (25/7/83)	100¼	...
99.345	£29	—	27¾	24½	New Zealand 14½% 1987	27¾	+½
§100	Nil	23/7	7ppm	½pm	Rotaprint 11½% Cum. Conv. Red. Pref	½pm	...

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date ●	Latest Renunc. date ■	1982 High	1982 Low	Stock	Closing price p	+ or −
166	F.P.	0/7	9/8	197	188	Applied Computer Tech.	197	...
170	F.P.	18/6	24/8	190	180	Bank Leumi (UK) £1.	185	...
103	Nil	—	—	17pm	16pm	Blundell-Permoglaze	17pm	...
05	Nil	20/7	26/8	1½pm	1pm	Cronite	1pm	...
78	Nil	—	—	5pm	3pm	Coal Pet. 6p	6pm	...
174	F.P.	18/6	30/7	250	218	Grand Met 50p	250	+4
25	Nil	26/7	3/9	½pm	½pm	Jenks & Cattell	½pm	...
66	Nil	—	—	16pm	8pm	Minster Assets	16pm	+½
50	F.P.	24/6	13/8	62	63	Press (Wm.) 10p	61	−1
325	F.P.	17/6	30/7	445	380	Saatchi & Saatchi 10p	420	...
015	F.P.	5/7	13/9	292	260	Sketchley	282	...

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part of capital: cover based on dividend on full capital. *g* Assumed dividend and yield. *r* Indicated dividend: *cover relates to previous dividend. P/E ratio based on latest* annual earnings. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. φ Figures or report awaited. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ *Offered to holders of ordinary shares as a "rights."* ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✻ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip. † Formerly *dealt in under Rule 163(2)(a).* ‡‡ *Units comprising five ordinary and three* Cap. shares. Δ Issued free as an entitlement to ordinary holders.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Aitken Hume	177	+22	MEPC	183	−2
British Land	81	+1	Poseidon	114	+15
Doornfontein	830	+96	RTZ	412	+10
Dubilier	84	+3	Tesco	78	+1
G. M. Kalgoorlie	215	+35	Unilever	627	+23
Lonrho	89	+3	Vaal Reefs	£29¾	+1¾

Based on bargains recorded in SE Official List

Stock	No. of price changes	Tuesday's closing price pence	Day's change	Stock	No. of price changes	Tuesday's closing price pence	Day's change
Allied Colloids	23	246	+21	RTZ	12	402	+2
Marks Spencer	14	161	+3	BAT Inds.	11	470	+5
Boots	13	229	+7	Barclays	11	386	+11
Exco Int.	13	203	+15	Inchcape	11	292	+5
ICI	13	306	−4	Midland Bank	11	352	+12
BP	12	266	—	Pilkington	11	200	+5
GEC	12	£10½	—	Racal Elec.	11	485	+5

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed July 21 1982 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues July 20 Index No.	Mon July 19 Index No.	Fri July 16 Index No.	Thurs July 15 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (209)	404.93	—	9.32	4.15	13.34	405.13	400.29	398.21	393.51	341.96
2	Building Materials (23)	334.79	+0.4	12.32	5.45	10.09	333.34	325.26	327.30	323.60	292.75
3	Contracting, Construction (28)	602.45	−0.1	14.48	5.12	8.23	603.02	587.06	581.67	580.98	547.83
4	Electricals (31)	1601.74	—	6.59	2.82	19.26	1601.99	1592.78	1556.38	1552.35	1129.58
5	Engineering Contractors (11)	489.98	—	13.12	6.17	9.21	489.88	484.91	476.43	477.60	481.61
6	Mechanical Engineering (67)	200.31	—	11.49	5.90	10.53	200.26	197.62	195.24	194.64	201.58
8	Metals and Metal Forming (11)	149.96	+0.4	12.40	8.09	10.01	149.29	147.97	145.61	145.57	144.87
9	Motors (20)	85.44	−0.7	2.91	8.18	—	86.00	85.23	84.12	84.30	95.26
10	Other Industrial Materials (18)	355.97	−1.0	10.41	6.00	11.76	359.63	354.27	348.30	351.86	368.14
21	CONSUMER GROUP (202)	319.82	+0.3	12.57	5.52	9.63	319.00	314.65	308.53	308.71	272.51
22	Brewers and Distillers (22)	342.14	+0.7	13.93	6.08	8.70	339.89	333.13	327.53	326.76	299.61
25	Food Manufacturing (22)	274.70	+1.1	16.71	7.82	7.03	273.60	269.39	265.29	264.75	255.31
26	Food Retailing (14)	667.90	+1.2	8.83	3.35	15.09	660.21	648.69	634.59	634.81	519.54
27	§ Health and Household Products (9)	500.16	−1.6	6.93	3.38	17.82	508.04	507.39	496.58	510.17	325.88
29	Leisure (23)	419.20	+0.3	10.28	5.59	12.26	417.94	413.95	404.43	401.78	433.22
32	Newspapers, Publishing (13)	510.20	+0.1	12.06	6.11	10.43	509.71	501.36	502.99	500.79	407.64
33	Packaging and Paper (14)	143.71	+0.4	16.76	7.68	6.94	143.19	141.42	137.48	137.12	137.87
34	Stores (45)	284.41	+0.3	10.22	4.90	12.98	283.70	279.12	273.58	271.87	253.37
35	Textiles (23)	167.70	+0.6	13.84	6.41	8.80	166.66	164.18	160.69	160.90	155.27
36	Tobaccos (3)	349.18	−0.2	22.93	7.92	4.87	349.94	346.10	338.41	339.40	242.58
39	Other Consumer (14)	265.40	+0.4	6.23	5.88	31.48	264.37	261.12	260.29	262.24	298.42
41	OTHER GROUPS (76)●	257.92	−0.1	13.78	6.54	8.81	258.08	255.34	250.21	248.84	219.71
42	Chemicals (15)●	336.54	—	14.10	7.10	8.51	336.59	335.56	326.84	323.34	272.38
44	Office Equipment (4)	180.48	−2.3	16.19	8.69	7.59	182.89	181.35	98.79	96.68	108.04
45	Shipping and Transport (13)	578.62	+0.3	18.47	7.11	6.59	576.77	564.57	559.36	559.72	532.64
46	Miscellaneous (44)	340.28	+0.1	11.83	5.58	10.36	339.99	334.96	329.57	329.44	288.64
49	INDUSTRIAL GROUP (487)●	340.09	+0.1	11.50	5.13	10.62	339.74	335.46	329.12	329.02	288.78
51	Oils (13)	668.35	—	23.74	6.71	4.77	668.38	667.58	665.13	661.32	718.46
59	500 SHARE INDEX●	366.99	+0.1	13.26	5.65	9.02	366.67	362.67	356.63	356.23	322.90
61	FINANCIAL GROUP (117)	250.58	+0.2	—	6.77	—	250.13	246.13	242.74	241.75	264.96
62	Banks (6)	271.16	−0.7	37.92	8.38	2.89	273.18	267.30	266.44	262.34	279.77
63	Discount Houses (9)	252.71	+3.9	—	8.07	—	243.32	242.92	236.25	234.54	266.01
65	Insurance (Life) (9)	271.61	+0.1	—	6.73	—	271.40	268.78	262.55	264.86	267.24
66	Insurance (Composite) (10)	162.76	+0.3	—	8.70	—	162.32	160.71	156.04	155.13	172.81
67	Insurance Brokers (7)	517.46	+0.3	10.86	5.02	12.57	515.90	513.86	508.55	510.26	397.37
68	Merchant Banks (12)	133.57	+0.3	—	6.64	—	133.19	129.91	129.63	131.75	167.17
69	Property (49)	411.85	+0.7	5.60	3.92	23.66	408.92	402.17	398.08	395.47	476.48
70	Other Financial (15)	172.79	+0.9	17.73	6.63	6.52	171.26	166.20	164.57	164.78	179.77
71	Investment Trusts (111)	296.89	+0.2	—	5.52	—	296.43	292.29	290.11	290.27	305.13
81	Mining Finance (4)	207.34	+2.9	15.25	6.85	8.22	201.59	200.19	196.81	195.43	247.31
91	Overseas Traders (18)	369.77	+1.2	13.89	8.66	8.85	365.41	362.11	358.80	357.28	427.28
99	ALL-SHARE INDEX (750)●	335.98	+0.2	—	5.89	—	335.38	331.42	326.23	325.71	311.68

FIXED INTEREST

	PRICE INDICES	Wed July 21	Day's change %	Tues July 20	xd adj. today	xd adj. 1982 to date
	British Government					
1	5 years	114.16	+0.07	114.08	—	6.92
2	5-15 years	115.88	−0.31	116.24	—	8.34
3	Over 15 years	120.97	−0.44	121.51	—	7.64
4	Irredeemables	125.34	—	125.34	—	7.27
5	All Stocks	116.65	−0.23	116.92	—	7.66
6	Debentures & Loans	91.86	+0.24	91.64	—	6.46
7	Preference	66.84	+0.36	66.60	—	3.79

	AVERAGE GROSS REDEMPTION YIELDS		Wed July 21	Tues July 20	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	10.35	10.34	12.64
2		15 years	12.09	12.06	13.39
3		25 years	12.14	12.10	13.64
4	Medium Coupons	5 years	12.75	12.73	14.91
5		15 years	13.00	12.93	15.36
6		25 years	12.54	12.48	14.96
7	High Coupons	5 years	12.85	12.80	14.93
8		15 years	13.19	13.11	15.56
9		25 years	12.65	12.59	15.17
10	Irredeemables†		11.81	11.80	13.08
11	Debs & Loans	5 years	13.98	14.88	15.91
12		15 years	13.98	14.05	16.12
13		25 years	13.98	14.03	16.14
14	Preference†		14.85	14.91	16.22

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

●Corrected indices for July 20

NEW HIGHS AND LOWS FOR 1982

NEW HIGHS (79)

BRITISH FUNDS (23)
INTERNATIONAL BANKS (1)
Int. Bank 14pc Ln. 1987
CORPORATION LOANS (3)
Cardiff 11pc 1986 Leeds 13½pc 2006
COMMONWEALTH LOANS (2)
Aust. 6pc 1981-83 N.Z. 7½pc 1983-86
LOANS (3)
Met. Water 3pc B Nationwide 14¼pc
FOREIGN BONDS (1)
Hydro Quebec 15pc
AMERICANS (4)
Abbott Labs. American Medical TRW Inc.
BANKS (2)
Alexanders Discount Union Discount
Cater Allen
BEERS (1)
Young Brew. A
BUILDINGS (3)
Higgs & Hill
CHEMICALS (3)
Arrow Chemicals
STORES (1)
Habitat
ELECTRICALS (6)
A.B. Electronic Dubilier
Automated Sec. Ferranti
Cambridge Elec. Motorola
FOODS (3)
Bassett (G.) Linfood
Bejam Tesco
HOTELS (1)
Grand Met.
INDUSTRIALS (9)
Bibby (J.) Siebe Gorman
Diploma Swedish Match
Halma Watshams
Lep Group
MOTORS (1)
Brit. Car Auction
SHIPPING (2)
Brit. & C'wealth P. & O. Defd.
TRUSTS (7)
Ambrose Cap. City & Com. Inc.
Caledonia Invs.
Lon. & Provincial Throg. Growth
OVERSEAS TRADERS (1)
Lonrho
MINES (3)
Slimmer & Jack Unisel
Libanon

NEW LOWS (24)

AMERICANS (4)
Amer. Nat. Res. Rep. N.Y. Corp.
Emhart Transamerica
BUILDINGS (2)
Crouch Group Dew (G.)
STORES (1)
Peters Stores
ELECTRICALS (1)
Norsk Data
ENGINEERING (5)
Bristol Channel Dennis (J. H.)
Brotherhood (P.) Midland Inds.
Capper-Neill
FOODS (1)
Heedlers
INDUSTRIALS (4)
Cape Inds. Radiant Metal
Emhart Turner & Newall
MOTORS (3)
Glanfield Lawrence Lookers
Hanger Invs.
PROPERTY (1)
New Cavendish
TEXTILES (1)
Montfort
TRUSTS (2)
North Sea Assets Maledie Invs.
OIL & GAS (4)
Berkeley Ex. Energy Capital
Cie Fr. Petroles Pict Pet.
TEAS (1)
Lunuva
MINES (4)
Silvermines Kalumpting
Gopeng Cons. Sungei Besi

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	11	57	28
Corpns. Dom. and Foreign Bonds	12	2	59
Industrials	280	191	864
Financial & Props.	172	87	283
Oils	18	29	59
Plantations	5	1	18
Mines	98	11	48
Others	77	38	47
Totals	663	378	1,405

CURRENCIES and MONEY

Late fall by dollar

The dollar fell in late trading yesterday, possibly undermined to some extent by comments made by Mr M. Baldrige, U.S. Commerce Secretary, that the U.S. economy was unlikely to recover in line with previous estimates unless interest rates eased. Euro-dollar rates were sharply weaker, as were U.S. domestic rates.

Sterling rose against the dollar but showed a mixed tendency against European currencies. It was slightly firmer overall, however.

DOLLAR — Trade-weighted index (Bank of England) 119.5 against 120.2 on Tuesday and 108.9 six months ago. Three-month Treasury bills 10.62 per cent (12.52 per cent six months ago). Annual inflation rate 6.7 per cent (6.6 per cent previous month)—The dollar closed at DM 2.4275 from DM 2.4510 against the D-mark, its lowest level for a month and SwFr 2.0575 from SwFr 2.0835. It was also weaker in terms of the Japanese yen at Y252.60 compared with Y253.60.

STERLING—Trade weighted index 91.2 against 91.0 at noon, 91.2 at the opening and 91.1 on Tuesday (91.4 six months ago). Three-month interbank 12$\frac{7}{16}$ per cent (14$\frac{11}{16}$ per cent six months ago). Annual inflation 9.2 per cent (9.5 per cent previous month) — Sterling opened at $1.7410-1.7420 against the dollar and eased initially to $1.7390 before recovering to $1.7425 at noon. During late afternoon the dollar's fall pushed sterling to a best level of $1.7570 and it closed at $1.7550-1.7560 a rise of 1.5 cent and its best closing level for a month. Against the D-mark it eased slightly to DM 4.2650 from DM 4.2675 and SwFr 3.61 from SwFr 3.6275. It rose against the French franc however to FFr 11.8850 from FFr 11.8650.

D-MARK — EMS member (weakest). Trade weighted index 125.1 against 124.8 on Tuesday and 122.0 six months ago. Three-month interbank 9.375 per cent (10.475 per cent six months ago). Annual inflation 5.8 per cent (5.3 per cent previous month)—The D-mark showed mixed changes at yesterday's fixing in Frankfurt. The dollar fell to DM 2.4407 from DM 2.4636 with the Bundesbank selling a nominal $450,000 at the fixing. Sterling was lower at DM 4.2540 compared with DM 4.2820 while the Swiss franc improved to DM 1.1748½ from DM 1.1740. Within the EMS the French franc rose to DM 35.925 per FFr 100 from DM 35.910 and the Belgian franc was higher at DM 5.258 per BFr 100 from DM 5.25. On the other hand the Dutch guilder slipped to DM 90.465 per Fl 100 from DM 90.485 and the lira was lower at DM 1.784 per L1,000 compared with DM 1.7860. The dollar's lower trend was mainly a reflection of softer Euro-dollar rates and domestic rates within the U.S.

DUTCH GUILDER — EMS member (second weakest). Trade weighted index 116.2 against 115.7 on Tuesday and 114.5 six months ago. Three-month interbank 8¾ per cent (10⅝ per cent six months ago). Annual inflation 6.5 per cent (6.3 per cent previous month) — The Dutch guilder showed little overall change at yesterday's fixing in Amsterdam. The D-mark and Danish krone were unchanged at Fl 1.1056 and Fl 31.94 per DKr 100 respectively while the French franc was hardly changed at Fl 39.69 per FFr 100 from Fl 39.68. Outside the EMS the dollar slipped to Fl 2.6945 from Fl 2.7230 and sterling was lower at Fl 4.6960 compared with Fl 1.7310. The Swiss franc rose to Fl 1.2988 from Fl 1.2968.

THE POUND SPOT AND FORWARD

July 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.7390-1.7570	1.7550-1.7560	par-0.10c dis	−0.34	0.60-0.70dis	−1.48
Canada	2.1840-2.2020	2.1995-2.2005	0.87-0.77c dis	−3.93	2.10-2.20dis	−2.31
Nethlnd.	4.68½-4.72½	4.71-4.72	1⅝-1⅜c pm	3.50	3⅞-3⅝ pm	2.57
Belgium	80.65-81.45	81.25-81.35	5-20c dis	−1.84	40-55 dis	−2.34
Denmark	14.70-14.79	14.78-14.79	½-1½ore dis	−0.81	7-8¼ dis	−2.08
Ireland	1.2330-1.2410	1.2360-1.2370	0.45-0.63p dis	−5.43	1.71-1.97dis	−5.95
W. Ger.	4.24-4.27½	4.26-4.27	1½-1pf pm	3.52	3⅞-3¼ pm	3.18
Portugal	145.50-146.75	146.00-146.50	70-255c dis	−13.33	210-725dis	−12.79
Spain	193.00-193.80	193.50-193.70	105-135c dis	−7.44	420-465 dis	−9.14
Italy	2,384-2,394	2,389-2,391	12-14 lire dis	−6.53	45-48 dis	−7.78
Norway	10.95-11.01	10.98½-10.99½	5½-6⅞ore dis	−6.89	14½-15¾dis	−5.42
France	11.82-11.90	11.88-11.89	2-3c dis	−2.52	11-12 dis	−2.97
Sweden	10.56-10.62	10.61-10.62	2½-3½ore dis	−2.18	8⅞-9½ dis	−3.41
Japan	438-444	441-442	2.10-1.90y pm	5.44	5.30-5.10 pm	4.71
Austria	29.90-30.05	29.95-30.00	11½-8½gro pm	4.00	27½-21 pm	3.22
Switz.	3.59½-3.64½	3.60½-3.61½	3¼-2¾c pm	9.97	8¼-7¾ pm	8.72

Belgian rate is for convertible francs. Financial franc 87.05-87.75. Six-month forward dollar 1.65-1.75c dis, 12-month 3.20-3.35c dis.

THE DOLLAR SPOT AND FORWARD

July 21	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7390-1.7570	1.7550-1.7560	par-0.10c dis	−0.34	0.60-0.70dis	−1.48
Ireland†	1.4070-1.4220	1.4200-1.4220	0.65-0.55c pm	5.09	1.65-1.40 pm	4.32
Canada	1.2520-1.2555	1.2530-1.2535	0.40-0.43c dis	−3.97	0.75-0.80dis	−2.47
Nethlnd.	2.6885-2.7060	2.6960-2.6980	0.92-0.82c pm	3.87	2.12-3.02 pm	4.56
Belgium	46.25-46.85	46.35-46.37	6-8c dis	−1.81	10-13 dis	−0.99
Denmark	8.4000-8.4600	8.4000-8.4100	¼-¾ore dis	−0.53	0.90-1.40dis	−0.54
W. Ger.	2.4270-2.4500	2.4270-2.4280	0.80-0.75pf pm	3.83	2.90-2.85 pm	4.74
Portugal	83.50-84.25	83.60-83.90	40-140c dis	−12.89	90-380 dis	−11.22
Spain	110.60-111.10	110.60-110.65	58-68c dis	−6.83	200-225 dis	−7.68
Italy	1,363-1,373	1,363½-1,364½	7½-8 lire dis	−6.69	21½-23 dis	−6.50
Norway	6.2800-6.3110	6.2875-6.2925	2.90-3.90ore dis	−7.06	6.20-6.80dis	−4.07
France	6.7650-6.8200	6.7700-6.7750	1.25-1.45c dis	−2.39	3.75-4.25dis	−2.36
Sweden	6.0500-6.0805	6.0600-6.0600	1.35-1.55ore dis	−2.87	2.80-3.00dis	−1.91
Japan	252.40-253.75	252.55-252.65	1.28-1.20y pm	5.89	4.03-3.93 pm	6.30
Austria	17.13½-17.18½	17.17½-17.18½	6.90-5.70gro pm	4.41	22-19 pm	4.78
Switz.	2.0550-2.0875	2.0570-2.0580	1.79-1.71c pm	10.21	5.35-5.27 pm	10.32

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

July 21	Bank of England Index	Morgan Guaranty Changes %
Sterling	91.2	−32.3
U.S. dollar	118.5	+10.9
Canadian dollar	87.5	−13.4
Austrian schilling	117.3	+26.6
Belgian franc	95.7	−0.9
Danish kroner	82.7	−14.2
Deutsche mark	125.1	+43.5
Swiss franc	146.2	+97.4
Guilder	116.2	+23.1
French franc	74.1	−20.1
Lira	56.8	−58.4
Yen	132.9	+27.0

Based on trade weighted changes from Washington agreement December, 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

July 21	Bank rate %	Special Drawing Rights	European Currency Units
Sterling	—	0.628498	(un)
U.S. $	11½	1.09566	"
Canadian $	16.17	*	"
Austria Sch.	6¾	18.8877	"
Belgian F.	14	(na)	"
Danish Kr.	11	9.27093	"
D mark	7½	2.67418	"
Guilder	8	2.95236	"
French Fr.	9½	7.44262	"
Lira	19	1498.53	"
Yen	5½	278.078	"
Norwgn. Kr.	9	6.81581	"
Spanish Pts.	8	121.544	"
Swedish Kr.	10	6.66764	"
Swiss Fr.	5½	2.37514	"
Greek Dr'ch.	20½	75.5458	"

*C$/SDR rate for July 20: 1.37140.

OTHER CURRENCIES

July 21	£	$		Note Rates
Argentina Peso	†36,859†	20,450†	Austria	29.85-30.15
Australia Dollar	1.7235-1.7255	0.9885-0.9890	Belgium	86.87
Brazil Cruzeiro	311.88-312.88	178.57-179.46	Denmark	14.65-14.72
Finland Markka	8.2125-8.2210	4.6900-4.6920	France	11.80-11.90
Greek Drachma	118.222-121.841	68.30-68.60	Germany	4.23½-4.27½
Hong Kong Dollar	10.221-10.236	5.8625-5.8675	Italy	2360-2400
Iran Rial	*146.40	*84.30	Japan	441-446
Kuwait Dinar (KD)	0.5008-0.5018	0.2858-0.2868	Netherlands	4.69½-4.74½
Luxembourg Fr.	81.25-81.35	46.35-46.37	Norway	10.95-11.05
Malaysia Dollar	4.0825-4.0922	2.3325-2.3426	Portugal	141-154
New Zealand Dlr.	2.3440-2.3490	1.3440-1.3460	Spain	186¼-195¼
Saudi Arab. Riyal	5.9990-6.0065	3.4380-3.4400	Sweden	10.55-10.65
Singapore Dollar	3.7160-3.7260	2.1310-2.1340	Switzerland	3.60-3.64
Sth. African Rand	1.8870-1.8985	1.1375-1.1385	United States	1.74-1.76
U.A.E. Dirham	6.4065-6.4140	3.6715-3.6735	Yugoslavia	86-99

† Rate shown for Argentina is commercial. Financial rate: 67,931-68,031 against sterling 38,960-39,000 against dollar. The financial rate for July 20 should have read: 67,582-67,622 against sterling and 38,950-39,000 against the dollar. *Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 20	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9704	45.0053	+0.08	−0.07	±1.5501
Danish Krone	8.23400	8.17123	−0.76	−0.91	±1.6430
German D-Mark	2.33379	2.36100	+1.17	+1.02	±1.0888
French Franc	6.61387	6.57294	−0.62	−0.77	±1.3940
Dutch Guilder	2.57971	2.60981	+1.17	+1.02	±1.5004
Irish Punt	0.691011	0.685825	−0.75	−0.90	±1.6681
Italian Lira	1350.27	1322.64	−2.06	−2.05	±4.1369

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

July 21	Pound Sterling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.756	4.268	441.5	11.885	3.610	4.715	2390.	2.200	81.30
U.S. Dollar	0.570	1.	2.430	251.5	6.770	2.056	2.686	1361.	1.253	46.31
Deutschemark	0.234	0.412	1.	103.5	2.787	0.846	1.106	560.4	0.516	19.05
Japanese Yen 1,000	2.265	3.978	9.660	1000.	26.92	8.177	10.68	5413.	4.983	184.1
French Franc 10	0.841	1.477	3.589	371.5	10.	3.037	3.967	2011.	1.851	68.41
Swiss Franc	0.277	0.486	1.181	122.3	3.292	1.	1.306	662.0	0.609	22.53
Dutch Guilder	0.212	0.372	0.905	93.64	2.521	0.766	1.	506.2	0.467	17.24
Italian Lira 1,000	0.418	0.735	1.785	184.7	4.973	1.510	1.973	1000.	0.921	34.02
Canadian Dollar	0.455	0.798	1.932	200.7	5.402	1.641	2.143	1086.	1.	36.95
Belgian Franc 100	1.230	2.159	5.246	543.1	14.62	4.440	5.800	2940.	2.706	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 21)

3 months U.S. dollars		6 months U.S. dollars	
bid 13 1/4	offer 13 3/8	bid 13 15/16	offer 14 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rate for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

July 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short term	12¾-12⅞	10½-10¾	16¾-17¼	8¾-8⅞	½-¾	8⅛-8¼	14⅜-14⅞	17-19	12½-14	14-14½	6-6¼	13⅝-15⅛
7 day's notice	12¾-12⅞	10⅞-11	16-17	8¾-8⅞	¾-1	8½-8⅝	14⅜-14⅞	17-18½	12½-14	14⅛-14¾	6⅛-6¼	13⅝-15⅛
Month	12¼-12⅜	12$\frac{1}{16}$-12$\frac{3}{16}$	15⅝-15⅞	8$\frac{9}{16}$-8$\frac{11}{16}$	2½-2⅝	8⅛-8¼	14⅝-14⅞	18½-12¼	15½-14½	14⅝-14⅞	6⅛-6¼	12⅞-14⅜
Three months	12$\frac{7}{16}$-12$\frac{9}{16}$	13⅛-13⅜	15$\frac{9}{16}$-15$\frac{13}{16}$	8¾-8⅞	5¼-3⅝	8$\frac{9}{16}$-8$\frac{11}{16}$	15⅝-12⅞	12¼-12⅞	15¾-14¾	14$\frac{1}{16}$-14$\frac{3}{16}$	7$\frac{1}{16}$-7$\frac{3}{16}$	14⅜-15⅞
Six months	12$\frac{7}{16}$-12$\frac{9}{16}$	13⅞-14⅛	16-16¼	8-9⅛	4½-4⅝	8⅞-9	16⅝-16⅞	20¼-20¾	14½-15⅞	14$\frac{1}{16}$-14$\frac{3}{16}$	7¼-7⅜	15½-17¼
One Year	12⅛-12¼	14-14¼	16-16¼	2-2⅛	4⅞-5	8$\frac{15}{16}$-9$\frac{1}{16}$	17⅜-17⅝	20¾-21⅜	14½-15½	14¾-15	7⅛-7¼	17-18½

SDR linked deposits: one month 10$\frac{15}{16}$-11$\frac{3}{16}$ per cent; three months 11¾-12 per cent; six months 12½-12¾ per cent; one year 12$\frac{9}{16}$-12$\frac{13}{16}$ per cent.
ECU linked deposits: one month 11$\frac{9}{16}$-11$\frac{13}{16}$ per cent; three months 11⅞-12⅛ per cent; six months 12$\frac{5}{16}$-12$\frac{11}{16}$ per cent; one year 12½-12⅞ per cent.
Asian $ (closing rates in Singapore): one month 12$\frac{5}{16}$-12$\frac{7}{16}$ per cent; three months 13¼-12⅜ per cent; six months 13$\frac{13}{16}$-14$\frac{1}{16}$ per cent; one year 14$\frac{1}{16}$-14$\frac{3}{16}$ per cent. Long-term Eurodollar: two years 14¾-15 per cent; three years 14⅞-15⅛ per cent; four years 15-15¼ per cent; five years 15-15¼ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two days' notice.
The following rates were quoted for London dollar certificates of deposit: one month 12.20-12.30 per cent; three months 12.90-13.00 per cent; six months 12.45-12.55 per cent; one year 12.55-12.65 per cent.

MONEY MARKETS

London rates ease

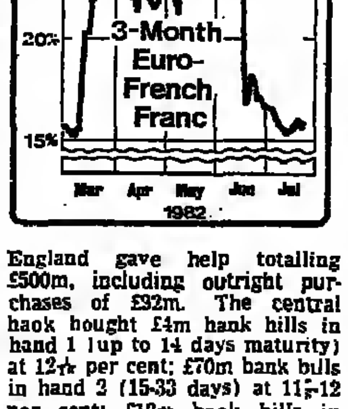
UK clearing bank base lending rate 12 per cent (since July 14)

Interest rates continued to fall in the London money market yesterday, despite a further substantial shortage of day-to-day credit. Discount houses buying rates for three-month Treasury bills fell to 11$\frac{7}{16}$-11⅜ per cent from 11$\frac{9}{16}$ per cent, and buying rates for three-month eligible bank bills to 11⅜ per cent from 11$\frac{13}{32}$-11$\frac{7}{16}$ per cent. This followed a cut of $\frac{1}{16}$ per cent in the Bank of England dealing rate for short-dated (band 1) bills, and a cut of ⅛ per cent in longer dated bills.

A shortage of £700m was forecast by the authorities in the morning, but this was revised to £600m in the afternoon.

The major factors were: bills maturing in official hands and a net market take-up of Treasury bills −£432m, coupled with Exchequer transactions of −£250m.

In the morning the Bank of England gave help totalling £500m, including outright purchases of £92m. The central bank bought £4m bank bills in hand 1 (up to 14 days maturity) at 12$\frac{1}{16}$ per cent; £70m bank bills in hand 2 (15-33 days) at 11⅞-12 per cent; £12m bank bills in band 3 (34-63 days) at 11$\frac{11}{16}$-11$\frac{13}{16}$ per cent; and £6m bank bills in band 4 (64-84 days) at 11⅝-11¾ per cent. The authorities also bought £408m bills for resale next Wednesday at 12$\frac{13}{16}$-13$\frac{1}{16}$ per cent.



In the afternoon the Bank of England bought a further £130m bills for resale next Wednesday at 13$\frac{1}{16}$-12¾ per cent, and also made outright purchases of £5m by way of bank bills in hand 2 at 11⅞ per cent.

Total assistance during the day was £635m, which on a shortage of around £600m pushed the overnight interbank rate down to 6-8 per cent at the close. Overnight money opened at 12⅜-12¾ per cent, and rose steadily to a peak of 13-13½ per cent. Longer term rates had an easier trend, encouraging speculation that clearing bank base rates may be cut once again in the next week or so. This tendency may have been exaggerated by the fall to 10⅞ per cent from 11½ per cent in the U.S. Federal funds overnight rate.

EUROCURRENCIES

$ rates fall

Eurodollar interest rates continued to decline yesterday, and other Eurocurrency rates weakened as rates eased in the U.S. money market. Lower Eurodollar rates depressed the U.S. currency in spot trading, leading to a narrowing of forward rates against the dollar for most currencies. On the other hand sterling rates were little changed, and the pound's forward position against the dollar weakened as sterling improved.

D-mark rates were slightly firmer, and while the U.S. currency lost ground to the D-mark in the spot market, the German unit declined in the forward market.

Lower U.S. interest rates followed the decline in the Federal Funds overnight rate after the better than expected money supply figures last week. Mr. Paul Volcker, chairman of the Federal Reserve Board, may have disappointed the market in his statement to Congress, and there was also expectation of a larger cut than ½ per cent in the U.S. discount rate.

MONEY RATES

NEW YORK

Prime rate	16-16½
Fed funds (lunch-time)	10¾-11
Treasury bills (13-week)	10.62
Treasury bills (26-week)	11.19
Lombard	9.00

GERMANY

Overnight rate	8.875
One month	9.30
Three months	8.375
Six months	2.40

FRANCE

Intervention rate	14.75
Overnight rate	15.00
One month	14.5625
Three months	14.5625
Six months	14.5625

JAPAN

Discount rate	5.5
Call (unconditional)	7.40625
Bill discount (three month)	7.28125

LONDON MONEY RATES

July 21 1982	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	6-13¼	12⅝-13⅛	—	—	12-12¾	10-12¾	—	—	—
2 days notice	—	—	12⅜-12⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12⅝-12⅞	12⅜	—	—	13	12-12⅛	—	—	—
One month	12$\frac{5}{16}$-12$\frac{3}{16}$	12¼-12⅛	12⅜	12¾-12½	12$\frac{7}{16}$	12¾	11¾-11⅞	11$\frac{13}{16}$-11⅞	11⅞	12$\frac{7}{16}$
Two months	12¼-12$\frac{1}{16}$	12$\frac{5}{16}$-12⅜	—	12½-12¼	12⅛	12⅝	11⅝	11$\frac{11}{16}$-11⅝	11⅝	12⅛
Three months	12-11⅞	12$\frac{1}{16}$-12¼	12⅛	12⅜-12⅛	12⅛	12⅝	11¼	11$\frac{7}{16}$-11⅜	11⅝	12
Six months	11⅞-11¾	12-12¼	12⅛	11⅝-11⅛	12⅛	—	—	—	11⅛	11⅝
Nine months	11⅞-11¾	12-12¼	—	12¼-11⅞	12$\frac{1}{16}$	—	—	—	—	—
One year	11⅞-11¾	12-12¼	12⅛	12-11¾	12$\frac{1}{16}$	—	—	—	—	—
Two years	—	—	12⅝	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates, nominally three years 13 per cent; four years 13⅛ per cent; five years 13⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11$\frac{7}{16}$-11⅜ per cent; four months trade bills 12 per cent.

Approximate selling rate for one month Treasury bills 11¾ per cent; two months 11$\frac{7}{16}$-11⅝ per cent; three months 11⅛ per cent. Approximate selling rate for one month bank bills 11¾-11$\frac{23}{32}$ per cent; two months 11⅝ per cent and three months 11⅛ per cent; one month trade bills 12⅞ per cent; two months 11⅞ per cent; three months 11⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from July 1 1982. London and Scottish Clearing Bank Rates for lending 12 per cent. London Clearing Bank Deposit Rates for sums at seven days notice 9 per cent. Treasury Bills: Average tender rates of discount 11.6339 per cent. Certificates of Tax Deposit (Series 5) 12¾ per cent from July 21. Deposits withdrawn for cash 10 per cent.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1853

High Income				
Gilts & Fixed Int.	107.2	112.8	+0.2	11.20
High Inc Equity	39.3	42.3	+0.1	9.25
Capital Growth				
American Growth	59.8	64.3	+0.1	2.26
Commodity & Energy	47.4	50.4	—	3.47
General	65.1	70.4	+0.2	4.36
Japan	48.8	52.6	+0.4	0.48
UK Growth	40.8	44.3	+0.2	3.75
Acc. Units	54.2	58.6	+0.2	3.75
Worldwide Bond	105.8	113.8	+0.6	4.83
Inv. Tst. Fd.	53.3	57.4	+0.6	4.17
Equitas Prog.	89.7	97.0	+0.6	4.33

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.
AHR Gilt Trust 95.5 100.5 .... 12.41

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Craigmount Unit Tst. Mgrs. Ltd.
Bucklersbury, London EC4N 8BD. 01-248 4984

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 3492

Darlington Unit Trust Mngt. Ltd.
Darlington, Totnes, Devon TQ9 6JE. 0803 862271
Total Perf. Unit Tst. 21.0 23.5 .... 5.34

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485
Disc. Inc. July 16 272.4 290.4 .... 4.72

Dunbar Unit Trust Managers Ltd.
53, Pall Mall, London, SW1 5JH. 01-930 2122

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Equity & Law Un. Tr. M. (a) (b) (c)
Amersham Rd., High Wycombe. 0494 33377

L & C Unit Trust Management Ltd.
The Stock Exchange, London EC2N 1HA 588 2800

Legal & General (Unit Tst. Mngrs.) Ltd.
5 Rayleigh Rd., Brentwood 0277 217238

Leonine Administration Ltd.
2, St. Mary Axe, EC3A 8BP 01-623 6114

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex.

Lloyd's Life Unit Tst. Mngrs. Ltd.
2, St. Mary Axe, EC3A 8BP. 01-623 6114

[illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

INSURANCES

Abbey Life Assurance Co. Ltd. (z)

1-3 St. Paul's Churchyard, EC4P 4DX. 01-248 9111

Property Fund	220.9	[illegible]	.....	—
Equity Fund	50.7	[illegible]	+0.8	—
Property Acc.	248.1	[illegible]	.....	—
Equity Acc.	50.5	[illegible]	+0.9	—
Selective Fund	158.5	[illegible]	+1.4	—
Money Fund	165.9	[illegible]	.....	—
Convertible Fund	180.2	[illegible]	.....	—
Prop. Fd. Ser. 4	251.5	[illegible]	.....	—
Equity Ser. 4	56.7	[illegible]	+0.9	—
Man. Ser. 4	209.2	[illegible]	+1.7	—
Money Ser. 4	152.3	[illegible]	.....	—
Conv. Ser. 4	142.4	[illegible]	.....	—
Fixed Int. Fd. Ser. 4	122.4	[illegible]	+0.7	—
American Ser. 4	111.4	[illegible]	+0.5	—
High Inc. Ser. 4	117.8	[illegible]	+1.0	—
Indexed Inv. Series 4	97.7	[illegible]	.....	—
Pension Property	320.9	[illegible]	.....	—
Pension Equity	[illegible]	[illegible]	+4.7	—
Pension Selective	352.2	[illegible]	+1.5	—
Pension Managed	303.4	[illegible]	+2.5	—
Pension Security	224.8	[illegible]	.....	—
Pension Fixed Int.	119.7	[illegible]	+0.7	—
Pension Indexed Inv.	97.4	[illegible]	.....	—

Albany Life Assurance Co. Ltd.

31, Old Burlington St., W.1. 01-437 5962

Equity Fd. Acc.	325.2	342.3	+3.7	—
Fixed Int. Acc.	203.2	213.8	+0.5	—
Grd. Money Fd. Ac.	157.4	165.7	+0.1	—
Intl. Man. Fd. Acm.	140.2	147.5	+0.5	—
Intl. Fxd. Int. Fd.	110.1	115.8	+0.2	—
Prop. Fd. Acc.	159.8	168.2	.....	—
M'ple Inv. Acc.	252.6	265.9	+1.8	—
Equity Pen. Fd. Acc.	448.2	471.6	+6.2	—
Fixed I. Pen. Acc.	331.7	349.2	+1.3	—
G'td. Mon. Pen. Acc.	219.1	230.6	+0.1	—
Intl. Mn. PnFdAcc.	161.6	170.0	+0.6	—
Prop. Pen. Acc.	211.3	222.4	.....	—
M'ple Inv. Pen. Acc.	368.1	387.4	+3.2	—

AMEV Life Assurance Ltd.

2-6, Prince of Wales Rd., B'mouth. 0202 762122

Managed Fd.	194.5	205.0	.....	—
Money Fd.	144.4	152.0	.....	—
Equity Fd.	150.5	158.6	.....	—
Fixed Int. Fd.	97.5	102.6	.....	—
Property Fd.	154.3	162.4	.....	—
Managed Pen. Fd.	180.6	190.1	.....	—
Equity Pension Fd.	101.5	107.0	.....	—
Fixed Int. Pens. Fd.	129.8	136.6	.....	—
High Yield Pens. Fd.	124.3	134.3	.....	—
Money Pension Fd.	114.0	120.0	.....	—
Property Pension Fd.	112.1	118.1	.....	—
AMEV/Framlington				
American & Gen. Fd.	140.1	147.6	+0.8	—
Income Fd.	137.7	145.1	+1.0	—
Intl. Growth Fd.	151.9	160.1	+1.9	—
Capital Fund	142.4	150.0	+1.2	—
Recovery Fund	98.4	103.7	+0.6	—

Barclays Life Assur. Co. Ltd.

252 Romford Rd., E7. 01-534 5544

Barclaybonds	175.4	184.7	+0.6	—
Equity	172.1	181.2	+0.7	—
Gilt-edged	140.3	147.7	+0.2	—
International	106.0	111.6	+0.4	—
Managed	151.0	159.0	+0.8	—
Money	135.5	142.7	.....	—
Property	178.6	188.1	+0.1	—
Man. Pens. Accum.	175.7	185.2	.....	—
Do. Initial	154.9	163.1	.....	—

Crown Life—Continued

St. George Mangd. Fd.	110.7	116.5	.....	—
Lines & Gen. Fd.	114.8	120.8	.....	—
Sage Fd.	85.5	90.0	.....	—
Heritage Fd.	99.3	104.5	.....	—
DBS Managed	104.2	109.6	.....	—
Crown Brit. Inv. A		217.2	.....	—
Pens. Mngd. Fd.	151.9	157.4	.....	—
Pens. Mangd. Acc.	113.2	119.1	.....	—
Pens. Mang'd. Init.	109.0	114.7	.....	—
Pens. Equity Acc.	102.3	107.6	.....	—
Pens. Equity Init.	98.2	103.3	.....	—
Pens. Fxd. Int. Acc.	110.9	116.7	.....	—
Pens. Fxd. Int. Init.	106.8	112.4	.....	—
Pens. Money Acc.	109.8	115.5	.....	—
Pens. Money Init.	105.5	111.0	.....	—

Crusader Insurance PLC

Tower Hse., 38 Trinity Sq., EC3N 4DJ 488 2323

Growth Prop July 6	101.1	111.2	.....	—
Managed Pens. June 9	117.24	123.41	.....	—

Eagle Star Insur./Midland Assur.

1, Threadneedle St., EC2. 01-588 1212

Eagle/Mid. Units	81.8	84.8	+0.4	5.87

Equity & Law Life Ass. Soc. Ltd.

Amersham Road, High Wycombe. 0494 33377

UK Equities Fund	191.8	201.8	.....	—
Higher Inc. Fund	123.3	129.7	.....	—
Property Fund	192.5	202.6	.....	—
Fixed Interest Fund	147.5	155.2	.....	—
Index Linked Secs Fnd.	93.6	98.5	.....	—
Gtd. Deposit Fund	136.6	143.8	.....	—
Nth. American Fund	106.2	111.7	.....	—
Far East Fund	82.7	87.0	.....	—
International Fund	98.1	103.2	.....	—
Mixed Fund	170.5	179.4	.....	—

Equity & Law (Managed Funds) Ltd.

Amersham Road, High Wycombe. 0494 33377

Ind. Pen. Equity	186.2	195.9	.....	—
Ind. Pen. Property	145.6	153.2	.....	—
Ind. Pen. Fixed Int.	140.5	148.3	.....	—
Ind. Pen. Indx Lk. Scs.	102.6	108.2	.....	—
Ind. Pen. Overseas	146.0	153.6	.....	—
Ind. Pen. Cash	136.9	144.1	.....	—
Ind. Pen. Balanced	153.3	161.3	.....	—
Ind. Pen. Dep. Admin.	136.9	144.1	.....	—

Prices at June 10. Next settlement July 15.
Group Pension Funds—Prices Available On Request.

Family Assurance Society

68, East Street, Horsham. 0403 50255

Family A. Managed	163.6	167.0	.....	—
Family B. Managed	89.5	91.5	.....	—
Family C. Brit.	72.5	73.8	.....	—
Family D. Fixed Int.	110.0	112.3	.....	—
Family Capital Mngd.	88.9	90.7	.....	—
Family Brit. II	54.2	55.4	.....	—

G.T. Management Ltd.

16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G.T. Plan Bond Fund	98.4	105.6	+1.5	—
GT Pln High Yld Fnd	92.0	96.9	.....	—
GT Plan Far East Fnd	87.0	91.6	.....	—
GT Pln N Am Fund	95.4	100.5	.....	—
GT Pln UK&G.E. Fnd	98.9	104.2	.....	—
GT Pln Wrldwde Fnd	86.5	91.1	.....	—
GT Pension Bnd Fnd	99.0	104.3	+1.5	—
GT Pen High Yld Fd	97.0	102.2	.....	—
GT Pen Far East Fd	88.4	93.1	.....	—
GT Pen N. Am. Fd.	98.0	103.2	.....	—
GT Pen UK&G.E. Fd	103.9	109.4	.....	—
GT Pen Worldwide Fd.	87.2	91.8	.....	—

Assicurazioni GENERALI S.p.A.

117, Fenchurch St., EC3M 5DY. 01-488 0733

OFFSHORE AND OVERSEAS

Precious Metal Fund.	148.7	156.6	.....	8.30
Vanguard Cmdy. Fd.	41.8	42.9	.....	2.26
Financial Futures Fd.	110.4	115.0	.....	—
Wren Intl. Fnd.*	$0.854	0.889	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99⁷⁄₁₆	97⅜	Exch. 9¼pc 1982	99⁷⁄₁₆	+⅛	9.30	12.08
99	94⅛	Exch. 8¾pc 1983	99	......	8.84	18.12
96⅛	91	Exch. 3pc 1983	96⅛xd	......	3.12	10.00
100	95¾	Treasury 12pc 1983‡‡	100	......	12.00	11.87
98	92⅞	Treasury 9¼pc '83	98	......	9.44	11.44
102	96⅞	Exch. 13½pc '83	101⅞	......	13.25	11.83
99	91⅞	Exch. 10pc 1983	99	+⅛	10.10	10.75
95½	87⅜	Funding 5½pc '82-84‡‡	95⅜	......	5.77	8.87
100	91⅞	Exch. 11¼pc 1984	100xd	......	11.25	11.25
103⅛	96¼	Exchequer 14pc 1984	103⅛	......	13.58	12.03
89½	81⅛	Exch. 3pc 1984	89¼	......	3.34	8.95
100	91½	Treasury 12pc 1984	100	......	12.00	11.93
105¾	96¾	Treasury 15pc 1985	105⅝xd	–⅛	14.20	12.40
99¾	89½	Exch. 12pc Cnv. '85	99¾	+⅛	12.03	12.10
85	73½	Treasury 3pc 1985	84⅝	......	3.54	9.29
98⅝	87½	Treasury 11½pc 1985	98⅝	+⅛	11.66	12.06
106	88⅝	Exch. 12¼pc 1985	100	+⅛	12.25	12.20
98⅞	86⅛	Exch. 11¾pc '86	98⅞xd	+⅛	11.88	12.20
81½	69	Treasury 3pc 1986	81⅛	......	3.70	8.93
99⅝	86¼	Treasury 12pc '86	99⅜	+⅛	12.08	12.17
91⅛	80½	Treasury 8½pc '84-86‡‡	91⅞	......	9.26	11.32
100⅝	96⅛	Treas. 12¼pc '86 Cnv.	100⅜	+⅛	12.20	12.13
104⅞	91⅞	Exch. 14pc 1986	104⅞	+⅛	13.35	12.46
103⅞	90	Exch. 13¼pc 1987	102¾xd	+⅛	12.90	12.42
85	73⅞	Funding 6½pc '85-87‡‡	85	......	7.65	10.57
77	64½	Treasury 3pc 1987	76⅞	......	3.90	8.34
		Five to Fifteen Years				
100¼	85⅞	Treas. 12pc 1987	99¾	–¼	12.36	12.74
86¼	72½	Treasury 7¾pc '85-88‡‡	86xd	+½	9.00	11.19
72⅞	60⅛	Transport 3pc '78-88	72¼	......	4.16	9.28
96⅛	79⅞	Treasury 11½pc 1989	92¼xd	–¼	12.34	13.07
75⅛	62½	Treasury 5pc '86-89	73	–⅛	6.98	10.72
101½	85⅞	Treasury 13pc 1990‡‡	99½	–⅛	13.10	13.15
100¾	85⅝	Exch. 12½pc 1990	100¼	–⅛	13.04	13.31
83¼	70⅛	Treasury 8¼pc '87-90‡‡	82½	–¼	10.10	11.88
93½	77⅞	Treasury 11¾pc 1991	92¾	–¼	12.72	13.26
70	59¾	Funding 5¾pc '87-91‡‡	69⅞	–⅛	8.43	11.66
91¼	76⅛	Exch. 11pc 1991	90¼	–¼	12.49	13.25
99½	81⅞	Treasury 12¾pc '92‡‡	97½xd	–⅜	13.08	13.20
86⅛	70	Treasury 10pc 1992	83¾xd	–¼	11.88	12.92
97¾	80⅞	Exch. 12¾pc '92	93¾xd	–⅜	12.94	13.24
105⅞	88⅝	Exchequer 13½pc '92	105	–⅜	13.44	13.38
97¾	80⅝	Treasury 12½pc '93‡‡	96	–⅜	13.06	13.24
66¼	56¼	Funding 6pc 1993‡‡	66⅛	–⅛	9.37	11.90
105	80	Treasury 13¾pc 1993‡‡	104½	–⅜	13.45	13.33
112⅞	91⅝	Treasury 14½pc '94‡‡	112¼	–½	13.61	13.35
104	86¼	Exchequer 13½pc 1994	103½	–½	13.46	13.42
98⅞	80⅛	Exch. 12½pc 1994	94½xd	–⅜	13.08	13.26
79¾	66¼	Treasury 9pc '94‡‡	79½	–⅛	11.56	12.56
94¼	76½	Treasury 12pc '95	92¾xd	–⅜	12.98	13.24
48½	42⅝	Gas 3pc '90/95	48¼	–¼	6.31	10.55
84¼	68½	Exch. 10¼pc 1995	83¼xd	–⅛	12.33	12.97
100¼	83¾	Treasury 12¾pc '95‡‡	99⅞	–⅜	13.08	13.12
106⅝	86¼	Treas. 14pc '96	104⅛xd	–¼	13.45	13.32
80	66⅝	Treasury 9pc '92/96‡‡	79¾	–⅛	11.75	12.64
115¾	96	Treasury 15¼pc '96‡‡	115⅜	–⅛	13.61	13.29
104	86	Exchequer 13¼pc '96‡‡	103½	–½	13.11	13.06
47	43⅝	Redemption 3pc 1986-96	46¼	......	6.55	10.34
103½	83½	Treasury 13¼pc '97‡‡	101⅜xd	–¼	13.07	13.02
87⅞	69⅝	Exchequer 10½pc 1997	84½xd	–¼	12.35	12.88
		Over Fifteen Years				
78½	64	Treasury 8¾pc 1997‡‡	78⅛	–¼	11.71	12.50
115¼	94¼	Exch. 15pc 1997	114⅜	–½	13.53	13.30
64⅞	54½	Treasury 6¾pc '95-98‡‡	64⅝	–⅛	10.74	12.06
119⅞	99½	Treas. 15½pc '98‡‡	119⅞	–½	13.62	13.26
96¼	78¼	Exch. 12pc 1998	95¾	–½	12.81	12.90
80⅝	66	Treasury 9½pc 1999‡‡	79⅛	–⅛	12.03	12.55
99⅞	81¼	Exch. 12¼pc 1999	99⅛	–½	12.87	12.95
86⅝	71⅛	Treasury 10½pc 1999	86½	–⅛	12.40	12.72
102¼	82¼	Treas. 13pc 2000	101	–½	12.91	12.89
108½	89	Treas. 14pc '98-01	107⅞	–⅝	13.27	13.14
96¼	76½	Exch. 12pc '99-02	94¼xd	–½	12.73	12.80
107¼	85⅞	Treas. 13¾pc 2000-03	104⅞xd	–½	13.18	13.02
96¼	78¼	Treasury 11½pc '01-04	95¾	–½	12.53	12.60
38	33¼	Funding 3½pc '99-04	37¾	......	9.29	11.16
101	81⅝	Treasury 12½pc '03-05	100½	–½	12.71	12.79
71⅛	59¾	Treasury 8pc '02-06‡‡	70⅞	–⅛	11.68	12.12
95⅝	75¾	Treasury 11¾pc '03-07	93½xd	–⅜	12.57	12.60
110	90	Treas. 13½pc '04-08	109½	–½	12.84	12.79
52⅛	44¼	Treasury 5½pc '08-12‡‡	52	–⅛	11.00	11.41
67⅛	55⅝	Treasury 7¾pc '12-15‡‡	66¼xd	–⅛	11.68	11.82
99½	81⅛	Exch. 12pc '13-'17	99	–½	12.28	12.29
		Undated				
33	27⅞	Consols 4pc	32¾xd	......	12.17	—
30¼	26⅛	War Loan 3½pc‡‡	30¼	......	11.76	—
34¼	31½	Conv. 3½pc '61 Aft.	34¾	......	10.47	—
30	21	Treasury 3pc 66 Aft.	24⅝	......	12.64	—
21	17¼	Consols 2½pc	21	......	11.97	—
21	17⅝	Treasury 2½pc	21	......	12.36	—
		Index-Linked & Variable Rate				
100⅛	99⅜	Treas. Variable '83	100	......	12.13	12.04
98	95	Do. 2pc I.L. '88	98	......	2.05	2.86
106	93	Do. 2pc I.L. '96	100	......	2.32	3.08
101½	86⅛	Do. 2pc I.L. '06	93½	......	2.97	2.90
104	90	Do. 2½pc I.L. 2011	95xd	......	2.65	2.88

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
101½	92¼	Finland 14½pc Ln 1986	101½	......	14.29	13.93
100¼	90¾	Int. Bank 13½pc 1986	100¼xd	......	13.47	13.39
101⅜	97	Do. 14pcLn 1987	101⅜	+⅛	13.81	13.59
101¼	94½	Mex 16½pc 2008	96½	–½	18.33	19.31
99½	90¾	Sweden 13½pc 1986	99½xd	......	13.57	13.63

CORPORATION LOANS

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
95⅛	85	Bath 11¼pc 1985	95⅛	......	11.82	13.08
98⅝	89¼	Birm'ham 12½pc 1985	98⅝	......	12.72	13.20
99¾	87	Burnley 13pc 1987	99¼xd	+¼	13.10	13.19
93	81⅞	Cardiff 11pc 1986	93	+¼	11.83	13.16
100½	94¼	G.L.C. 12½pc '83	100½	......	12.50	12.51
100¾	94⅝	Do. 13¼pc 1984	100¾	......	13.15	12.78
100	94¾	Glasgow 9¼pc '80-82	99½	......	9.29	10.91
80	67½	Herts 6¾pc 1985-87	80xd	......	8.40	12.08
102¼	85	Leeds 13½pc 2006	102¼xd	+¼	13.73	13.74
95⅝	87½	Liverpool 9¾pc '80-84	95⅝	......	10.19	12.47
26	21½	D. 3½pc Irred.	25½xd	......	14.06	—
100⅞	95½	Lon. Corp. 13¼pc '83	100⅞	......	13.14	12.42
91⅛	82¼	Do. 9¼pc '84-85	91⅛	......	10.15	12.68
88½	78¼	LCC 5½pc '82-84	88½	......	6.22	12.15
78½	64¼	Do. 5½pc '85-87	78½	......	7.00	11.33
70½	56	Do. 6¾pc '88-90	70½	......	9.59	12.78
22¼	19½	Do. 3pc '20 Aft.	22¾	......	13.64	—
99	90¼	Sunderland 12¼pc 1984	99	......	12.37	12.67

COMMONWEALTH AND AFRICAN LOANS

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
93¾	85¼	Aust. 6pc 1981-83	93¾	+½	6.46	11.71
67	57	N.Z. 7¼pc 1988-92	67xd	......	10.88	13.41
87¼	74¼	Do. 7½pc '83-86	87¼xd	+½	8.68	11.88
161	136	S. Rhod. 2½pc Non-Ass.	157	......	—	—
68	58	Do. 3½pc 80-85 Assd.	68	......	5.24	17.00
41	32	Do. 4½pc 87-92 Assd.	41xd	......	10.98	17.48
372	318	Zimbabwe Ann (£100pa)	372	+7	—	20.15

LOANS

Public Board and Ind.

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
67	57¼	Agric. Mt. 5pc '59-89	67	......	7.48	12.22
31½	24¼	Met. Wtr. 3pc 'B'	31½	+¼	9.88	12.43

LOANS—Continued

1982 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		Financial				
101	95½	FFI 14pc '83	101	+⅛	13.86	13.17
100	94	FFI(UK Fd)5½pcDb. '80-2	100	......	5.50	13.55
90	80	Do. 6¼pcDb. '81-84	90	......	7.05	11.90
94½	82½	Do. 10½pc Uns.Ln. '86	93½xd	......	11.25	12.90
92	78	Do. 11pc Uns.Ln. '88	89½xd	......	12.25	13.30
93	78	Do. 11¾pc Uns.Ln. '90	90xd	......	13.06	13.90
96¾	82	Do. 12¾pc Un. Ln. 1992	96¾	......	13.52	13.90
65	54	Do. 7¼pcADeb. '89-92	64½xd	......	11.38	13.95
64½	53	Do. 7¾pcADeb. '91-94	64½	......	11.64	15.60
74½	62	Do. 9pc 'A' '91-94	74½	......	12.63	13.97
70½	57⅛	Do. 8¾pcLn. '92-97	68xd	......	12.95	13.99
		Building Societies				
100½	98⅛	Nat'wide 14¾pc 11.8.82	100½xd	......	14.73	12.55
100½	98¼	Do. 14¾pc 25.8.82	100	......	14.75	14.49
101	99	Do. 15¾pc 29.9.82	100⅜	......	15.32	12.69
101⅞	99¼	Do. 16¼pc 27.10.82	100⅝	......	16.15	13.38
101	99½	Do. 15½pc 24.11.82	100⅝	......	15.28	12.90
101⅜	99¼	Do. 15¼pc 13.12.82	100¾	......	15.14	12.95
102	99¾	Do. 16¼pc 17.1.83	101⅝xd	......	15.99	12.53
101⅞	100	Do. 15⅝pc 7.2.83	101⅞xd	......	15.34	11.91
100½	99⅝	Do. 14½pc 14.3.83	100½	......	14.18	13.44
100⅝	99⅝	Do. 14¼pc 4.4.83	100⅝	......	14.14	13.11
101⅛	100¹⁄₁₆	Do. 14¾pc 25.4.83	101⅛	......	14.58	13.15
100¼	99¹⁵⁄₁₆	Do. 13⅞pc 25.5.83	100¼	......	13.77	12.91

FOREIGN BONDS & RAILS

1982 High	Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
		For Antofagasta see "Recent Issues."				
16	11	Chinese 4½pc 1898	11	......	—	—
13	9	Do. 5pc 1912	9	......	—	—
12	7	Do. 5pc 1913	7	......	—	—
10½	7	Do. 5pc '25 Boxer	7	......	—	—
44	42	Greek 7pc Ass.	43	......	3½	8.29
42	40	Do. 6pc 28 Stb. Ass.	41	......	3	7.58
38	35	Do 4pc Mixed Ass.	38	......	2	5.27
35	29	Hung. '24 Ass.	29xd	......	2¼	†9.48
104	87½	Hydro Quebec 15pc Ln 2011	104xd	+3½	15	14.42
67	58	Iceland 6½pc '83-88	67	......	6½	14.20
95¼	80	Do. 14½pc Ln. 2016	92xd	+1¾	14½	15.69
99¼	87¾	Ireland 7½pc '81-83	94xd	......	7½	14.51
75¾	62½	Do. 9¾pc '91-96	74¾	......	9¾	14.65
250	231	Japan 4pc '10 Ass	237	......	—	—
77	67	Do. 6pc '83-88	69xd	......	6	13.26
161	161	Peru Ass. 2007	161	......	5.22	17.52
93¼	79	Pet. Mx 14½pc '06	81xd	–½	14½	19.02
$79	$75	Turin 9pc 1991	$75	......	9	†12.00
DM90	DM87	Turin 6½pc 1984	DM87	......	6½	11.40

AMERICANS

1982 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
18½	13½	Abbott Labs.‖	18½xd	+½	84c	—	2.5
14¼	11¾	Alcoa $1	13⅝	+½	$1.80	—	7.3
25⅛	10⅝	Amax $1	12½xd	+½	20c	—	0.9
15⅞	10⅛	Amdahl	11⅝	–¼	40c	—	1.9
28⅛	21¼	Amer. Express $0.60	22¼	+½	$2.20	—	5.5
13⅞	10¼	Amer. Medical Intl. $1.	13⅞	+⅛	52c	—	2.0
22⅛	16⅝	Amer. Nat. Res. $1.	16⅝	–⅜	$3.00	—	10.0
32⅛	28	American T. & T. Co.	31	+⅛	$5.40	—	9.2
10¾	909p	Bank America Corpn.	10¼	+⅜	$1.52	—	8.3

[illegible]

CANADIANS

[illegible]

BANKS AND HIRE PURCHASE

[illegible]

BANKS & H.P.—Cont.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

MINES—Continued

Central African

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
120	75	Falcon Rh.50c	95	+5	Q25c	10.3	19.6
33	19	Wankie Col. 251	19	......	Q3c	1.2	12.8
21	12	Zam.Cpr.SBD0.24	15	......	—	—	—

Australian

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
23	10	ACM 20c	16	+2	—	—	—
7	1½	Argosy Gold NL 25c	2½	......	—	—	—
151	59	Bond Corp.	60	+1	Q010c	2.3	10.7
82	58	Bougainville I Kina	77	+4	Q6½c	1.2	5.2
192	147	CRA 50c	185	+7	Q5c	—	1.6
16	10	Carr Boyd 20c	14	+1	—	—	—
56	22	Central Pacific	30	+1	—	—	—
380	152	Crusader Oil	250	......	—	—	—
26	10	Cultus Pacific N.L.	12	+½	—	—	—
27	14	Eagle Corp. 10c	16	......	—	—	—
23	9	Endeavour 20c	10½	......	—	—	—
368	150	G. M. Kalgoorlie 25c	215	+35	Q32½c	0.9	9.2
10	2½	Great Eastern	4	......	—	—	—
63	30	Greenbushes Tin 50c	36	−3	Q6c	1.9	10.0
170	134	Hampton Areas 10p	168xd	......	3.0	♦	2.6
32	11½	Haoma N.W.	13½	+½	—	—	—
22	9	Intl. Mining	12	......	—	—	—
30	9	Jimberlana (50cFP)	10	......	—	—	—
9½	2¼	Kalbara Min 20c	5	......	—	—	—
100	38	Kitchener NL 25c	44	+6	—	—	—
14	9	Leichardt Expln.	10	+1	—	—	—
190	92	Meekatharra 25c	114	+2	—	—	—
44	15	Metals Ex. 50c	18½	+½	Q3c	1.7	9.7
28	9	Metramar Mns. 20c	12	+2	—	—	—
10	5	Mid East Mins. NL	4½	+½	—	—	—
202	143	M.I.M. Hldgs. 50c	174	+7	‡Q5c	♦	1.7
57	5	Mincorp 20c	5½	......	—	—	—
8	3	Minefields Expl. 25c	5	+2	—	—	—
19	14	Newmetal 20c	17	+½	—	—	—
30	8½	Nickelore N.L.	10	......	—	—	—
160	92	North B. Hill 50c	112	+8	‡Q13c	1.8	‡
*84	10	Nth. Kalgurli	17½	+2	—	—	—
123	67	Oakbridge 50c	82	+4	†Q6½c	1.9	4.7
90	32	Otter N. L.	32	......	—	—	—
98	34	Pacific Copper	58	......	—	—	—
150	74	Pancont'l 25c	84	+4	—	—	—
62	30	Paringa M&Ex.5p	30	......	♦—	—	—
352	211	Peko-Wallsend 50c	260	+22	‡Q15c	—	‡
31½	15	Pelsart Res NL	16	+1	—	—	—
273	120	Renison 50c	135	+13	Q05c	—	2.2
205	105	Do. Dfd.	125	+10	—	—	—
56	30	Seltrust A	37	+2	♦—	—	—
27	9	Southern Pacific	12	......	—	—	—
46	24	Swan Resources 20c	28	......	—	—	—
65	22	Vulcan Mins 20c	20	+5	—	—	—
11	2½	West Coast 25c	5	......	—	—	—
50	6	Westn. Cont 50c	8	−1	—	—	—
247	150	Westn. Mining 50c	187	+10	‡Q14c	1.6	‡
34	12	Whim Creek 20c	12	......	—	—	—
30	12	York Resources	15	+1	—	—	—

Tins

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
11½	7	Amal Nigeria 1p	8¼	−¼	—	—	—
255	145	Ayer Hitam $M1	150	+5	‡vQ135c	0.7	‡
140	55	Geevor	55	......	—	—	—
12	10	Gold & Base 12½p	20	......	—	—	—
630	325	Gopeng Cons.	325	−5	17.0	1.2	7.3
525	330	Hongkong	430	......	21.0	♦	7.0
330	155	Idris 10p	330	......	♦—	—	—
24	13	Jantar 12½p	15	......	1.5	2.8	14.5
130	65	Kamunting $M0.50	65	−5	‡vQ27½c	0.8	10.1
426	366	Killinghall $M1	380	......	vhQ60c	♦	3.8
98	55	Malaysia Mng. 10c	55	......	vQ17.1c	1.6	7.4
42	25	Pahang	25	......	‡0.63	0.8	‡
450	280	Pengkalen 10p	340	......	♦1.0	—	0.4
330	200	Petaling $M1	200	......	‡vQ60c	♦	‡
200	155	Sungei Besi $M1	155	−5	‡vQ70c	1.1	‡
110	65	Supreme Corp. $M1	65	......	vQ15½c	♦	5.8
130	100	Tanjong 15p	100	......	5.5	3.7	5.0
85	57	Tongkah H. Tin 15¢	57	......	‡vQ25%	1.3	‡
255	165	Tronoh $M1	165	......	vQ50c	2.3	7.2

For Messina see South Africans

Miscellaneous

1982 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
40	20	Anglo-Dominion	25	+2	—	—	—
16½	12	Burma Mines 10p	12	......	0.55	1.0	6.5
130	27	Colby Res. Corp.	45	+4	—	—	—
292	170	Cons. Murch. 10c.	245	+30	‡Q60c	1.9	‡
8	4	‡‡Explaura Gold	4	......	—	—	—
105	55	Highwood Res.	70	+5	—	—	—
255	160	Northgate C$1	180	......	—	—	—
468	344	R.T.Z.	412	+10	16.0	2.1	5.5
£108½	£84	Do.9½%Cn.Ln.'95-2000	£96	+1½	Q9½%	30.0	10.1
20	11	Sabina Inds. C$1	12	−1	—	—	—
44	27	‡Southwest C. 10p	30	−2½	—	—	—
500	270	Tara Exptn. $1	280	−5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ‡ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.
- ♥ Rate applicable to non-Zimbabwean residents.
- §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv. 20p	40	......
Bertrams	17¢	......
Bdg'wtr. Est. 50p	420	......
Craig & Rose £1	£12½	......
Finlay Pkg. 5p	26	......
Graig Ship. £1	£26	......
Higsons Brew	90	......
Holt (Jos) 25p	820	......
I.O.M. Stm. £1	95	......
Pearce (C. H.)	£11	+½
Peel Hldgs.	151	......
Sheff. Refrshmt	79	......
Sindall (Wm.)	225	+5

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£98⅝	......
Nat. 9¾% 84/89	£69¼	......
Fin. 15% 97/02	£77⅛	......
Alliance Gas	86	......
Arnott	210	......
Carroll (P.J.)	71	......
Concrete Prods.	50	......
Heiton (Hldgs.)	17	......
Irish Ropes	34	......
Jacob	65	......
T.M.G.	5	......
Unidare	45	......

OPTIONS

3-month Call Rates

Industrials

Stock	Rate
Allied-Lyons	8
BOC Intl.	15
B.S.R.	8½
Babcock	16
Barclays Bank	42
Beecham	21
Blue Circle	48
Boots	19
Bowaters	24
Brit. Aerospace	17
B.A.T.	38
Brown (J.)	7
Burton Ord.	15
Cadburys	9
Courtaulds	8
Debenhams	7
Distillers	15
Dunlop	6½
Eagle Star	31
F.N.F.C.	4
Gen. Accident	28
Gen. Electric	66
Glaxo	42
Grand Met.	17
G.U.S. 'A'	45
Guardian	25
G.K.N.	15
Hawker Sidd	30
House of Fraser	15
I.C.I.	26
"Imps"	8
I.C.L.	5½
Ladbroke	15
Legal & Gen.	19
Lex Service	10
Lloyds Bank	42
"Lofs"	6½
London Brick	7
Lucas Inds.	20
"Mams"	12
Mrks. & Spncr	12
Midland Bank	38
N.E.I.	9
Nat. West. Bank	30
P & O Dfd.	14
Plessey	32
Racal Elect.	35
R.H.M.	6½
Rank Org. Ord.	20
Reed Intnl.	26
Sears	6
T.I.	15
Tesco	5½
Thorn EMI	42
Trust Houses	11
Turner & Newall	13
Unilever	55
Utd. Drapery	7
Vickers	16
Woolworths	5

Property

Stock	Rate
Brit. Land	7½
Cap. Counties	10
Land Secs.	28
MEPC	20
Peachey	14
Samuel Props.	11
Town & City	3½

Oils

Stock	Rate
Brit. Petroleum	26
Burmah Oil	10
Charterhall	6
KCA	14
Premier	6
Shell	38
Tricentrol	22
Ultramar	58

Mines

Stock	Rate
Charter Cons.	25
Cons. Gold	45
Lonrho	7
Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 35

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Thursday July 22 1982

Israel may send minister to U.S.

BY DAVID LENNON IN TEL AVIV & ANATOLE KALETSKY IN WASHINGTON

THE ISRAELI Government may soon send Mr Yitzhak Shamir, its Foreign Minister, to Washington to stem the cooling of U.S.-Israei relations which has become increasingly apparent sinc the siege of Beirut started nearly six weeks ago.

The White House review of U.S. Middle East policy, linked with the Reagan Administration'e decision to halt supply of Cluster bombs to Israel pending a etudey of their use in Lebanon, comes on tope of heavy U.S. pressure to prevent an Israeli attack on West Beirut. It has caused serious worry in the Begin Government.

The resignation of Mr Alexander Haig as U.S. Secretary of State, and his replacement by Mr George Sbultz, were regarded in Israel as a serious blow to the pro-Israeli camp in the U.S. Government.

The recent tone of actions and statements from Washington appears in Israeli eyes to confirm these doubts.

Jerusalem feels that the mediation efforts by Mr Philip Habib, the U.S. special envoy, to persuade the PLO to withdraw from Beirut have been making no progress.

Though Israel is confident that her army can easily crush the Palestinian guerrilla forces still in Beirut, she is restrained from doing so by clear indications from Wasbington that snch action could lead to major punitive steps by the U.S. against Israel.

Israel has been further worried to realise that the apparent outcome of the invasion of Lebanon has been to place tha Palestinian problem at the centre of Washington's Middle East concerns.

The Government in Jerusalem is beginning to realise that the crisis which it, to an extent, crested, has prompted the U.S. to take a belated look at the Arab-Israel dispute.

They fear that the U.S. conclusion will be that the only way to resolve this dispute is to try to satisfy to some extent the nationalist aspirations of the Palestinian people.

Despite Israeli concern the U.S. insisted yesterday that it would make no concessions to the PLO unless the organisation recognised Israel.

Responding to atatements from PLO officials that the organisation would accept amended versions of UN resolution 242, which acknowledges Israel's "right to live in peace" Mr Dean Fischer, the State Departmeot spokesman, stated: "Our position remains unchanged with respect to dealing with the PLO.

"Our policy is quite clear, that we would oppose any amendmeot of Resolution 242. We regard Resolutions 242 and 338 as the cornerstones of our Middle East policy, and the underpinning for the entire Camp David framework on which our policy is further based."

Some observers in Washington said that, while the gulf between the PLO and the U.S. still appeared large the Arab nations seemed to have scored a major diplomatic success in the past few days.

The focus of the Reagan Administration's attention seems to have shifted from immediate evacuation of PLO fighters to the broader relationship between Palestians, Israel and the U.S.

Record quarterly deficit for U.S. bank

BY DAVID LASCELLES IN NEW YORK

CONTINENTAL ILLINOIS, the biggest bank in Chicago and the seventh largest in the U.S., yestarday annonnced a $61m (£35m) loss for the second quarter, the largest quarterly deficit ever recorded by a big U.S. bank.

The loss arose mainly because of the bank's dealings with Penn Square Bank of Oklahoma, which collapsed a fortnight ago.

Mr Paul Volcker, the chairman of the Federal Reserve Board, said yesterday that the Fed had loaned Penn Square $26m in the daya immediately before the collapse, to help it pay depositors, who were scrambling to get their money out.

Continental's second-quarter report showed it bad provided $220m to cover possible losses on abont $1bn of loans it purchased from Penn Square. Continental was also forced to add $151m to its list of non-performing loans — a classification which covers those on which interest is lata.

Continental became involved with Penn Square through its decision to lend to the energy industry on a large scale dnring the oil and gas exploratioo boom of the late 1970s. Penn Square was arranging large loans for energy companies and selling participation in the deals to other banks. Bnt the quality of those credits declined sharply as the oil price softened and caused failures in the energy business.

U.S. bank regulators have also said that regulations were not being observed at Penn Square. The FBI is investigating allegations of criminal activity at the bank before it collapsed.

Mr Volcker, who was testifying to Congress for the second successive day, said the Fed had already recovered $20m of the $26m it loaned to Penn Square. He commented that the Oklahoma bank collapse, one of the worst in U.S. history, was "isolated and containable."

Continental Illinois was the worst hit by the collapse. The loss left it with only $10.8m in profit for the first half of 1982, compared with $120.2m in the equivalent period last year.

The bank's total volume of non-performing loans is now $1.3bn, or 3.7 per cent of its loan portfolio, compared with an industry average of 0.4-0.5 per cent.

Continued from Page 1

Maxwell Joseph to quit

well has worked closely with Mr Grinstead for many years.

Starting with one hotel, the Mount Royal, Marble Arch, in 1957, Sir Maxwell created a business empire with a market capitalisation of £1.3bn, fixed asets of £1.89bn and pre-tax profits In its last full year of £187m.

He will continue as a non-executive director of the group and of a number of hotel subsidiaries after the 1983 annual general meetiog, and will assume the newly-created position of preesident.

Mr Grinstead will retain the group managing directorship wben be becomes chairman in March.

Mr Alex Dibbs, a director, said yesterday that the board accepted Sir Maxwell's decision to retire with great regret.

Grand Metropolitan is 12th among the largest indnstrial companies in terms of turnover and eigbth on the basis of stock market capitalisation.

It employs more than 103,000 people in the UK and 28,000 abroad.

Its interests include the Berni Inns chain of more tban 200 steak houses, the Express Dairy foods group, 120 Mecca Leisure bingo balls, 620 Mecca betting shops, five West End casinos, more than 100 Inter-continental and other hotels as as well as distilling and spirits sales.

Thomas Cook profits threatened

BY ALAN FRIEDMAN

THE Thomas Cook travellers cbeque subsidiary of Midland Bank could see more than three-quarters of its 1982 profits wiped out by losses resulting from the apparent financial troubles of a Saudi Arabian sales agent.

The 40-branch money-changing and travellers cheque business of Abdullah Saleh Al Rajhi, based in Ad Dammam, was closed down by Saudi authorities last weekend, according to Cook. The Al Rajhi concern owes Cook about $5.5m (£3.2m) for travellers cbeques.

Thomas Cook is taking legal action, but is meanwhile making loss provisions for Al Rajhi. This was initially understood to have been a small percentage of the $5.5m, but the figure could be revised up to the full amount in the wake of the closure of the 40 outlets In Saudi Arabia.

Cook stressed last night that the losses would not affect "the geoeral viability of our organisation." But it said the full $5.5m loss was a possibility and could wipe out "a snbstantial portion" of its 1982 earnings.

Last year the Thomas Cook group, comprising travellers cbeque and travel businesses, made a pre-tax profit of £5.8m. Of this amount about £3m is believed to have been earned by the cbeque division.

At the company's headquarters in Peterborough, it was disclosed that the problem had been known abont for several weeks. Solving it could be "a drawn-out affair," one executive said.

Cook hopes for an out-of-court settlement. The Saudi concern is believed to have "very significant assets."

Continued from Page 1

British Airports capital plan

airport capacity, including the need for Terminal Two at Gatwick, and the development of Stansted, Essex.

Mr Payne stressed that government approval for the development at Terminal Two at Gatwick, designed to increase that airport's capacity from the present 16m to 25m passengers a year, was long overdue.

The inspector at the public planniog inquiry some time ago had recommended the development but the continued delay in the necessary government approval now imperilled Gatwick's long-term future.

Even if approval were given this year the new terminal would not be ready for use until 1987. By that time Gatwick would be pushing up to its maximum capacity of 16m passengers a year. Any delay would cause overcrowding at the airport.

Base rate hopes

Continued from Page 1

rent upsurge in gilt-edged prices ran out of steam. The FT Government Securities Index closed 0.15 lower at 72.21.

Prices bad risen earlier in the day following the Bank's action io the mooey markets, but the authorities caught the market off guard by announcing two further £300m tranches of official funding of Treasury 11½ per ceot 1989 and Exchequer 12 per cent 1998.

In the foreign exchange markets the U.S. dollar fell fairly sharply towards the close of business in Europe following the U.S. Commerce Secretary's comments that the U.S. economy was unlikely to recover unless interest rates were eased.

The dollar fell against the D-mark from DM 2.4510 on Tuesday to DM 2.4275, and against the Swiss franc it alipped to SwFr 2.0575 from SwFr 2.0835.

RHONE-POULENC CHAIRMAN'S RESIGNATION LETTER

Attack on Mitterrand policies

BY DAVID WHITE IN PARIS

M JEAN GANDOIS, whose resignation as chairman of Rhooe-Poulenc, Fraoce's biggest chemicals group was announced on Tuesday, bas used his resignation letter to launch a bitter attack on the way the Frencb Government has implemented its nationalisation policy.

Rhooe-Poulenc, nationalised in February, is one of five top industrial concerns fully nationalised under the Socialist Government's economic programme.

Tbe letter, which attacks the policies of M Francois Mitterand's administration for containg "too many contradictory elements to be realistic," was published by tbe company yesterday after being kept secret for more than a month wbile M Gandois waited for the Governmeot to give him a leaving date.

M Pierre Dreyfus, who as Industry Minister was largely responsible for having M Gandois reappointed to bead the group after it was nationalised, refused his resignation, but was bimself dropped from the Government at the end of last month.

M Loik Le Floch-Prigent, a 39-year-old senior Industry Ministry official, was named yesterday to succeed M Gandois as chairman of the group, which employs some 90,000 worldwide.

In his letter, M Gandois said nationalised groups would be locapable of playing the "locomotive" role which had beeo assigned to them and which was the main justification for taking them over.

They would be unable to boost or even maintain employment, since they had to press abead with restructuring measures. The Government's stated target of budgetary rigour would deprive them of the means for an investment drive.

M Gandois added that he realised it would be "difficult to stop this decision from having political repercussions."

It became clear yesterday that his qnarrel with the Government centred on the money available to reinforce Rhône-Poulenc's capital. The Government bas not made public exactly how it plans to distribute atate sector funds, but M Gandois bad evidently come to the conclusion that he would not get the FFr 3bn (£250m) he wanted over the next couple of years.

Friends said he was seriously disappointed by the Government's reaction to his plans for tbe group and the cooditions he put forward for maintaining activities in textiles and fertilisers.

Rhôoe-Poulenc received FFr 1.8bn from tha sale of heavy chemical interests two years ago and abont FFr 900m this year in exchange for a shareholding io Morton-Norwich of the U.S. Bot M Gandois said new investment plans were hampered because be could not bring foreign partners into the group's interests and be was not prepared to add to its deht burden.

In these circumstances, the only way out would have been an austerity programme st the gronp, including more job losses and the shelving of further reductions in working hours.

"This kind of policy has been made impossible by the tenor of official statements and the illusions wbich have been kept alive," he said.

He tendered his resignation only a few days after the powerful CGT trade union had protested against textile closures, telling bim he was "no longer the boss of the group" and that he would have to "fit in with the industrial and social policies defined by the Government."

M Michel Charzat, a Socialist MP and one of the architects of the nationalisation programme, hit back at M Gandois, blaming the group's FFr 355m loss in 1981 on "the inadequacy of its dynamism in research and development and of its presence on the world market."

Tuesday's surprise resignation came, however, just as the group was hoping to show balanced results for the first half of this year. Senior executives expressed concern about its immediate future under the new chairman, a career civil servant.

A question mark now hangs over the next restructuring stage in artificial fibres, Rhône-Poulenc's main loss-maker. Since 1977, the workforce has been more than halved to about 6,600. One plant in eastern France was closed at the beginning of the month, and two more are due to close.

M Gandois' strong attack on government policy also raises questions abont the implementation of the Government's overall plan for the chemical industry, under which Rhône-Poulenc is given the principal role in fine chemicals and the state-controlled Elf-Aquitaine the main role in beavy chemicals.

M Albin Chalandon, the outspoken Elf chairman, has already put a spanner in the works by challenging his group's capacity to take on the financial burden of the new activities due to come under its control.

Air France chief may quit; French social security cut, Page 2

IBM and Mitel to develop units jointly

By Jason Crisp

IBM, the U.S. computer giant, and Mitel, the Canadian telecommunications company, are preparing jointly to develop a range of office systems and terminal equipment based around the technology of Mitel's newest digital private telephone exchange (PABX).

The object would be to link a wide range of IBM's office automation equipment, including mainframe computers, terminals, local area networks, through the Mitel PABX. Mitel says the system could range from one using tens of telephone lines up to more than 10,000. It would link several locations.

Mitel was founded in Canada by two Britons, Dr Mike Cowpland and Mr Terry Matthews, in 1975. It has become one of the world's fastest-growing companies. Sales in the year ending February 1982 were C$204.2m (£92.6m) compared with C$111.2m tha previous year. The company claims that in five years it bas become the second-largest vendor of PABXs in the U.S.

It is also a growing supplier to British Telecom and is building a large factory in Gwent, Wales. Its large exchange is to be sold in the UK by BT, Norton Communications and ICL, the computer maker. ICL is planning also to use the Mitel PABX as part of an office-automation system. Mr Terry Matthews said last night the proposed link with IBM would not affect sales through ICL.

IBM and Mitel said in a brief statement yesterday that they have "agreed in principle to develop a new family of office-automation systems". More specific agreements would follow, Mr Matthews said.

The statement said: "The effort will blend Mitel PABX capability with the information-processing and European telecommunications experience of IBM."

No details of the potential size of the deal were available bnt it is likely to be substantial. It is thought the companies would hope to develop the system within two years.

Other U.S. bank results, P25

Closure threat at rolling mill

By Mark Meredith

BRITISH ALUMINIUM yesterday told the 1,064 workforce at its Falkirk rolling mill in Scotland that the plant faces closure unless a remanning agreement is reached.

The plant lost £7m last year. It is expected to show a slight improvement, although a continued loss, this year.

Proposals put by management to trade union representatives yesterday do not require redundancies among the production staff. They require the unions to adopt new manning procedures to eliminate overtime.

Mr Derek Gledder, managing director of the Falkirk works, said there would be 10 or 11 redundancies in the staff canteen.

Weather

UK TODAY

RAIN in places, some sunny intervals.

S, E England, S Wales, Borders, N Scotland, Orkney, Shetland
Cloudy, some rain, sunny periods in east. Max. 21C (70F).

Best of UK
Sunny intervals, mainly dry. Max. 24C (75F).

Outlook: Mostly dry and very warm.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	31	88	L. Ang.†	F	19	66
Algiers	S	36	97	Luxmbg.	F	24	75
Amsdm.	C	19	66	Luxor	S	39	102
Athens	S	32	90	Madrid	S	27	81
Bahrain	S	36	97	Majorca	S	30	86
Barclna.	S	29	84	Malaga	S	32	90
Beirut	—	—	—	Malta	S	31	88
Belfast	F	20	68	Mchstr.	F	19	66
Belgrd.	S	31	88	Melbne.	S	11	52
Berlin	S	27	81	Mx. C.†	—	—	—
Biarritz	C	21	70	Miami†	S	29	84
Bmghm.	C	18	64	Milan	S	30	86
Blackp'l	C	20	68	Montr'l†	S	17	63
Bordx.	—	—	—	Moscow	C	25	77
Boulgn.	F	21	70	Munich	S	28	82
Bristol	C	18	64	Nairobi	C	24	75
Brussels	—	—	—	Naples	F	30	86
Budpst.	F	31	88	Nassau	—	—	—
Cairo	—	—	—	Nwcstl.	F	17	63
Cardiff	C	19	66	N. York†	S	19	66
Casbca.	S	23	73	Nice	S	28	82
Cape T.	S	15	59	Nicosia	F	31	88
Chicg.†	S	21	70	Oporto	S	20	68
Cologne	C	26	78	Oslo	F	21	70
Cpnhgn.	S	21	70	Paris	S	26	79
Corfu	S	33	91	Perth	F	16	61
Denver†	F	20	68	Prague	S	29	84
Dublin	F	20	68	Rykjvk.	R	13	55
Dbrvnk.	S	29	84	Rhodes	S	28	82
Ednbgh.	S	20	68	Rio J'o†	—	—	—
Faro	S	24	75	Rome	S	30	86
Florence	S	34	93	Salzb'rg	S	29	84
Frankft.	S	29	84	S'cisco†	—	—	—
Funchal	S	23	73	S. M'ritz	—	—	—
Geneva	S	25	77	Singapr.	F	29	84
Gibrltr.	S	26	79	S'tiago†	—	—	—
Glasg'w	S	23	73	Stckhm.	C	20	68
G'rnsey	C	17	63	Strasb'g.	S	27	81
Helsinki	C	16	61	Sydney	S	13	55
H. Kong	C	31	88	Tangier	S	22	72
Innsbr'k	F	28	82	Tel Aviv	S	27	81
Invrnss.	S	21	70	Tenerife	S	24	75
I.o.Man	S	20	68	Tokyo	C	24	75
Istanbul	S	30	86	Tor'nto†	S	16	61
Jersey	C	19	66	Tunis	S	36	97
Jo'burg	F	15	59	Valencia	S	34	93
L. Plms.	S	24	75	Venice	S	30	86
Lisbon	C	24	75	Vienna	S	30	86
Locarno	S	28	82	Warsaw	F	27	81
London	C	19	66	Zurich	S	25	77

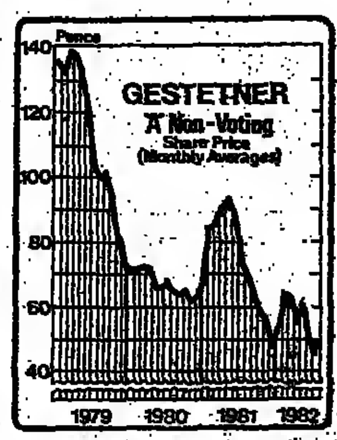
C—Cloudy. F—Fair. R—Rain. S—Sunny
† Noon GMT temperatures.

THE LEX COLUMN

Treasury harries Gatwick bonds

The Bank of England shaved its money market intervention rates yesterday; later it gave the markets a less welcome surprise by issuing two £300m tranches of gilt-edged stock. Lower interest rates are clearly the authorities' objective—but that does not mean that the brakes will not be applied to control the pace of decline.

Index fell 3.0 to 573.2



BAA bonds

The Buzby bond challenge is being taken up by the British Airports Authority. While British Telecom has changed course and is aiming for an issue of straight equity, the BAA is dabbling with the idea of issuing some kind of non-equity performance bond which would provide a return linked to profits and would, somehow, satisfy the Treasury's elaborate requirements for financing to rank outside the Public Sector Borrowing Requirement.

Such private sector financing would almost certainly be more costly than the BAA's existing credit lines at the National Loans Fund. Bnt it would be more flexible in length and structure, and would represent a diversification of tha sources of capital. Like other nationalised industries, the BAA is concerned at the damage inflicted by arbitrary PSBR cutbacks. Only £50m-£100m of private borrowing is envisaged, to help finance a capital spending programme of over £800m in the next five years. Bnt the attraction is that more might be available if public sector sources ever dry up.

The BAA is a profitable enterprise, earning £38.6m pre-tax last year on a conservative curreot cost basis (though a decline is forecast for 1982-83). Private sector investors would, however, need to be satisfied that the Government would not interfere in prices and therefore profits. At the same time, the Treasury would need to be satisfied that there would be no explicit or implicit Government guarantees. It does not look at all straightforward.

Gestetner

At £4.6m, Gestetner's pre-tax profits for the half year to May are rather better than generally expected. Nevertheless they are only 11 per cent up on the very depressed level of a year earlier. Rising debt has pushed up the interest charge by 27 per cent to £3.1m, while a £0.3m provision for redundancies is balanced by property profits.

Gestetner is now having some success in pushing copiers down its marketing network. Sales bere have risen by 44 per cent, although the company's market share is still best described as fledgling. The problem is that Gestetner has not been able to maintain adequate margins while moving over to the new technology, and unrelieved losses in West Germany have produced an underlying tax rate of 61 per cent. In current cost terms the after-tax loss is £3.2m and it is no coincidence that there has been a £9m cash outflow, pushing net debt up to 40 per cent of shareholders' funds. Unless returns improve in the near term, Gestetner could begin to run out of time. The shares rose 1p yesterday to 50p, where the yield is 7.7 per cent.

Mercantile House

Putting together the financial package for the takeover of the U.S. brokerage house Oppenbeimer was one of the more complex broking deals pnt together by Mercantile House; selling it to the City has not exactly been easy either. After the rumbling among Globe and Electra investment trust shareholders about the trusts' large commitment to the funding of the Oppenheimer deal, Electra—which has been a sort of long-stop underwriter in the last couple of months—now turns out to be a seller of 11m Mercantile shares.

That will bring its commitment down to a more manageable level, bnt—quite apart from increasing the amount of paper on offer in next month's offer for sale of Mercantile shares—it could be read, probably unfairly, as a sign of diminished enthusiasm.

Mercantile's other problem is to explain how exciting Oppenheimer's prospects are while persuading investors that it does not take undue risks. The stormy climate on Wall Street makes the problem of presentation rather more difficult; Mercantile's chairman did his best yesterday by arguing that every financial upset leads to a generally higher standard of controls, though he then rather spoilt things by confessing that Oppenheimer's block trading and own-account dealing was "muddled up."

Oppenheimer's hedged own-account trading shows up on both sides of the pro-forma balance sheet in the shape of repurchase agreements of around £700m, against which tangible net worth stands at £22m. The best news from Mercantile yesterday was a doubling of profits—to £14.4m pre-tax—in the year to April, with money broking still making the pace. The Oppenheimer deal seems to involve no earnings dilution, yet at the offer for sale price of 375p the p/e is an unglamorous 9 times and the yield 5.3 per cent.

British Land

British Land has not been a popular property stock since its problems in the mid-1970s. But with the whole sector deeply out of fashion, it is beginning to look like one of the more attractive vehicles. Even the low pay-out policy—earnings still cover the doubled dividend by a factor of 12—has become more acceptable. Other companies, inhibited from announcing rights issues by the prevailing state of the market, will have more limited growth opportunities.

In the year to March, pre-tax profits have risen by 33 per cent to £6.3m, while rental income has increased by 20 per cent to £11.6m and now covers interest payable. In spite of a write-down of the industrial property portfolio, there has been an underlying property revaluation of about 9 per cent. Net debt, meanwhile, is down to a very comfortable 43 per cent of shareholders' funds. The company has established what looks an extremely attractive option to borrow £37m of long term funds, so British Land may offer one of the better opportunities for geared up growth in the sector. At 81p, up 1p yesterday, the shares are standing on a discount of 50 per cent to fully diluted assets, which compares with an average for the sector of 40 per cent. The differential should narrow.